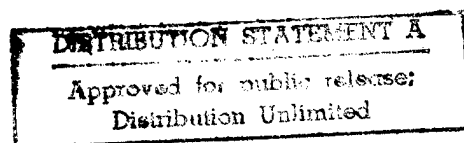


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Latin America Report



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15 August 1985

LATIN AMERICA REPORT

CONTENTS

ANGUILLA

Briefs	
Minister's Resignation	1

ANTIGUA AND BARBUDA

Briefs	
Hector Verdict	2
Bird on BWIA	2

ARGENTINA

Savanti on Informatics Challenges, Expansion Plans (Victor Savanti Interview; MERCADO, 23 May 85).....	3
Informatics Third National Congress Report (MERCADO, 23 May 85).....	8
Causes for New Drop in Machine Tool Industry Examined (Ricardo Sanchez Interview; CLARIN, 28 May 85).....	11

BELIZE

Esquivel Reviews Domestic Developments at News Conference (AMANDALA, 21 Jun 85; THE BELIZE TIMES, 23 Jun 85).....	15
Report on Accomplishments	15
Critique of Economic Situation	16
Ditching of University Project	17
Undue Reliance on Free Market	18

Sugar Factory Closing Sparks Plans for Demonstration (THE BELIZE TIMES, 23 Jun 85).....	21
UDP Government Accused of Selling Out Workers (THE BELIZE TIMES, 23 Jun 85).....	23
UDP Executive Committee Meets; Dean Lindo Presides (THE BEACON, 22 Jun 85).....	25
Briefs Esquivel Error on Aliens	26
BERMUDA	
Political Activities Involving Major Parties Reported (THE ROYAL GAZETTE, various dates).....	27
PLP Resignation	27
Independents' Plan	27
UBP Candidate's Dissent	29
BRAZIL	
Sarney To Study New Approaches Toward Social Pact (Carlos Chagas; O ESTADO DE SAO PAULO, 11 Jul 85).....	30
Finance Ministry Refutes Sarney's Inflation Projection (O ESTADO DE SAO PAULO, 13 Jul 85).....	33
Land Invasion Threat Rises in Parana, Pact in Porto Alegre (Cila Schulman; O ESTADO DE SAO PAULO, 13 Jul 85).....	35
COLOMBIA	
Bio Data on Liberal Presidential Candidate Virgilio Barco Vargas (Virgilio Barco Vargas Interview, EL TIEMPO, 16, 17 Jun 85).....	39
Ex-President Urges Creation on Coal Research Center (Pastrana; EL SIGLO, 23 Jun 85).....	51
Briefs Petroleum Institute Created	60
Commissioner, Intendant Appointments Announced	60
Colombia-Belgium Chamber of Commerce	60
Increased Grain Acreages Announced	61
GRENADA	
Grenadian Voice in 'Scathing Attack' on Blaize (SUNDAY EXPRESS, 14 Jul 85).....	62

GUATEMALA

ORPA Leader Analyzes Electoral Process (Otoniel Martinez; EL DIA, 2 Jun 85).....	64
CAN Presidential Candidate Interviewed (Mario David Garcia Interview; EL GRAFICO, 9 Jun 85).....	71
Seven Candidates for Mayor of Capital (EL GRAFICO, 13 Jun 85).....	74
World Food Program Aid to Country Described (PRENSA LIBRE, 17 Jun 85).....	76
Briefs Exporters Group Founded	78

GUYANA

Briefs CMCF Debt Payoff	79
----------------------------	----

NICARAGUA

Sumo Leaders on Autonomy, Need for Land, Development (Aurelia Patersson Interview; BARRICADA, 14 Jun 85).....	80
--	----

PERU

Communists' 14th Plenary Session Report: IU Was Not United (UNIDAD, 20 Jun 85).....	85
Two-Thirds of Labor Force Members of Unions (Luis Aparicio Interview; EL COMERCIO, 23 Jun 85).....	91
Highest Grade Uranium Deposit Discovered (EL COMERCIO, 28 Jun 85).....	93
Police Inefficient, Corruption Called Intolerable (Carlos Espa; EL COMERCIO, 19 Jun 85).....	94
Briefs Petroperu Releases Unneeded Lands	97
Mayoral Cadidates Sign-Up Period	97
Taiwan Largest Fish Meal Consumer	97

ST LUCIA

1984 Trade Deficit With Caricom Up More Than 600 Percent (CANA, 5 Jul 85).....	98
---	----

ST VINCENT AND THE GRENADINES

Mitchell Interviewed on Political, Economic Views (SUNDAY EXPRESS, 7 Jul 85).....	100
--	-----

TRINIDAD AND TOBAGO

Government Studies Castro Invitation to Meeting on Debts (Andy Johnson; EXPRESS, 17 Jul 85).....	104
Guardian Praises Panday's Action as Boost for NAR (TRINIDAD GUARDIAN, 13 Jul 85).....	105
Government Minister Offered Post in Future NAR Cabinet (TRINIDAD GUARDIAN, 15 Jul 85).....	107
PPP Concerned About Employer Views on Severance Bill (EXPRESS, 18 Jul 85).....	108
U.S. Policy on Sugar Hit as Inconsistent, Harmful (Tony Best; SUNDAY EXPRESS, 14 Jul 85).....	109
ISCOTT Workers Urge Government To End Talks With Bechtel (EXPRESS, 13 Jul 85).....	111
Caroni Plans To Reduce Amount Spent on Importing Rice (EXPRESS, 11 Jul 85).....	112
British Firm Joining Government in Second Methanol Plant (TRINIDAD GUARDIAN, 12 Jul 85).....	113
Tourism Figures for 1984 Show Decline Compared With 1983 (TRINIDAD GUARDIAN, 15 Jul 85).....	114
Issues in Fishing Talks With Venezuela Under Discussion (TRINIDAD GUARDIAN, 15 Jul 85).....	115
Rejection of Fee Proposal	115
Venezuelan Violations	116
Briefs	
Youth Council-Government Row	117
New CID Chief	117
Tobago Police Issue	118

ANGUILLA

BRIEFS

MINISTER'S RESIGNATION--The Valley, July 9--Anguilla's Minister of Education, Community Development and Youth Affairs Albena Lake Hodge resigned today for personal reasons, the office of Chief Minister Emile Gumbs announced. Her resignation is seen here as another setback for the 16-month old administration of Gumbs. In February, Hurbert Hughes was sacked as Minister of Finance and Lands following what Gumbs said was a disagreement on policy issues. Hughes charged his dismissal was caused by his disagreement with a proposed casino for the island by a group of Taiwanese investors. Although Lake Hodge, 64, remains an elected member of the House of Assembly, political observers here feel her resignation as a Minister of Government could well be her first step of total withdrawal from Anguilla politics. During the 1984 general election campaign she publicly stated that she was just standing in for her brother, a medical surgeon residing in Antigua. [Excerpt] [Bridgetown CANA in English 2334 GMT 9 Jul 85 FL]

CSO: 3298/866

ANTIGUA AND BARBUDA

BRIEFS

HECTOR VERDICT--Tim Hector, leader of the leftist Antigua-Caribbean Liberation Movement (ACLM), has been found guilty of "publishing a false statement" in the ACLM's newspaper, "The Outlet." However, Hector reportedly failed to appear in Court Friday to hear the Magistrate's decision, and a bench warrant was issued for his arrest. Officials said the court was told that Hector left Antigua Friday morning for the neighbouring island of St. Martin. Following his guilty ruling, Chief Magistrate Calvin Sobers reserved sentence until Hector appears in Court. The defendant, in his capacity as acting Editor of "The Outlet", was convicted of publishing reports in August, 1984, that an Antigua Cabinet Minister was questioned by U.S. immigration officials in Miami on the transfer of some U.S. \$2 million from the Bahamas to London. The charges of publishing a false statement were brought under Antigua's Public Order Act. In handing down his judgement, Magistrate Sobers said "The Outlet" article constituted a "vicious allegation against an unidentified Cabinet Minister" and that Hector had "flagrantly abused the freedom of the Press." Court officials indicated that when Hector is apprehended, he will probably be kept in custody until the date for sentencing. [Port-of-Spain TRINIDAD GUARDIAN in English 8 Jul 85 p 5]

BIRD ON BWIA--St John's, Sat., (CANA)--Aviation Minister Vere Bird says Antigua and Barbuda has signed an agreement with British Airways to serve the Antigua-London route because the Trinidad national airline BWIA was unwilling to handle it. In a statement, Bird said Antigua had named BWIA its official carrier on the route, but the Trinidad airline declined because British regulations would have required it to fly to Gatwick Airport, rather than London's principal airport, Heathrow. Bird said that in the interest of the island's tourism industry, the government then signed an agreement with British Airways and Antigua-Barbuda Airways to serve the London route. He added that under the agreement, the government will receive a share of the revenue from the route and also have a voice in the operating of the service. [Port-of-Spain SUNDAY GUARDIAN in English 7 Jul 85 p 4]

CSO: 3298/866

ARGENTINA

SAVANTI ON INFORMATICS CHALLENGES, EXPANSION PLANS

Buenos Aires MERCADO in Spanish 23 May 85 pp 24-26

[Interview with the president of IBM Argentina, Victor Savanti; date and place not specified]

[Text] MERCADO: During the meeting between President Alfonsin and IBM president John Akers in New York, the president was shown IBM's program of investments in Argentina over the next 5 years. What does the program include and where are the investments going?

Savanti: As you know, the hallmark of the computer industry is its rapid pace of technological development and the resulting improvement of product cost-effectiveness. As an example of such development, I can tell you that under our plans half of the IBM's earnings in 1988 will be generated by products that are still in our design laboratories today, that have not been announced and that are not being marketed. So, if your goal is to sell in a market like ours, which is highly competitive, you must maintain an increasing pace of investment in all areas of the business. The meeting you mentioned emphasized the investments in our plant in Martinez, which will be earmarked mostly for a 30 percent expansion of its physical capacity (an additional 5,550 square meters) and for the machinery, equipment and instruments needed to produce and test the equipment manufactured there. For example, when the automated testing system is in place, we will be able to run tests in seconds that would take months with the traditional method of manual instruments and measurements. It is this kind of investment that has enabled us to reach our current level of production in printers and magnetic tape units, with the associated testing units. We have specialized in these products and have achieved a level of technology and quality that enables us to be competitive on all world markets.

MERCADO: How important will this investment program be in boosting IBM Argentina's exports and does the company have any forecasts in this regard?

Savanti: It is clear from what I just said that we intend to continue exporting the items from the Martinez plant. According to our current plans, the scheduled investments will enable us over the next 5 years to reach a cumulative export level of \$850 million, which means doubling the volume of the past 5 years. Most importantly, the domestic value added in

this total will exceed 65 percent, with an increasingly active role for our local suppliers, from whom we will buy more than \$300 million worth of goods in the period in question. As the first step in this direction, our exports in 1985 will be about \$140 million, up 52 percent from the \$92 million in 1984.

MERCADO: IBM Argentina currently exports printers and magnetic tape drives. Are there possibilities of expanding exports into other products and to what countries specifically?

Savanti: The rapidity of technological change that I mentioned before and the heavy investments needed to produce competitively on the world market leave only two choices: either you produce for the world market or you prolong the life of products by limiting through more or less explicit bans the market access of the latest technology. For example, 1 percent of the output from our Martinez plant meets the domestic demand for these products, and just 10 percent meets the demand of all Latin America. I don't think you need any further explanation to realize what our costs would be like if we manufactured for these markets alone. In our opinion, only the first option is valid. We have therefore selected the two items that we feel are best suited to our country's current capabilities, and we have achieved the results that I have already mentioned, along with a rising technological level among our technicians and suppliers. This year's incorporation of the IBM 3480 magnetic tape unit, with the resulting increase in the electronic content in relation to the printers, clearly shows that we have made gains and that our approach is the right one.

MERCADO: The PC Jr is no longer being produced in the United States, and a project to build this computer in Mexico has been delayed. With this in mind, do we have reason to believe that this line might be manufactured in Argentina?

Savanti: IBM has officially announced that it has stopped making the PC Jr, and this applies worldwide. Moreover, merely transferring production lines for equipment that is obsolete in the more advanced countries is not, in our view, the best way to develop the sound, competitive industry that our country needs. On the contrary, our philosophy has always been to manufacture products with state-of-the-art technology that come directly from the development labs. Proof of this is that our products have hit the market at the same time as those of our sister plant in the United States.

MERCADO: Why did IBM stop making the PC Jr in the United States, especially since this is one of the most popular systems in the world?

Savanti: The reasons were spelled out at the time of the official announcement. The main one was that the production volume anticipated for the life of the product had been reached. The existing inventory will meet the demand for this particular model, which is aimed at a market that, as you know, has not grown as fast as was expected some years back.

In any event, the PC Jr will continue to be sold, supported and repaired through the company's various marketing channels, and IBM will keep on supplying software, spare parts and accessories.

MERCADO: Does the 5-year program outlined to President Alfonsin call for the expansion of the Martinez plant or a specific new plant in another region?

Savanti: As I was telling you before, our investment program calls for an expansion of our physical plant, which will cost about \$6 million for the construction alone. The work will begin in the next few months and conclude in 1986. For the time being we have no plans to build a new plant elsewhere.

MERCADO: The government is promoting joint ventures in computer equipment manufacture in which big businesses can convey their experience to medium-size companies. Do you agree with this approach?

Savanti: In our view, joint ventures can be an ideal arrangement for certain projects, in which each partner makes a real contribution to the overall goal. The proof of this is that IBM is involved in many such ventures in several countries. With specific regard to manufacturing our products for export, because of the special features of this activity and of our organization, we have taken a different approach, working through local suppliers. We feel that this is also a valid way to transfer experience and technology to local businesses, and it also enables them to market their products worldwide through our marketing and export channels. This is also a true partnership.

MERCADO: Contacts have reportedly been made in the United States with small and medium-size companies in Silicon Valley in an attempt to interest them in hooking up with local Argentine firms to promote the computer business. Would IBM be amenable to this sort of arrangement?

Savanti: As I was telling you before, we have adopted a working arrangement in which local businesses supply parts and components and are involved in various stages of assembly and testing and in which our plant is part of a structure that enables us to make use of a worldwide business organization and, as a result, to take advantage of its export channels and infrastructure. The approach that you are suggesting would entail sacrificing the benefits of exports in our case. If we remember that Argentina accounts for just 0.5 percent and Latin America as a whole just 5 percent of world demand, we can clearly see the huge difference between producing for the world market and for these limited markets, as well as the reduction in costs when volume is 200 times higher.

MERCADO: What are the computer industry's main problems at present and how do they affect the company's marketing goals?

Savanti: We could spend a great deal of time discussing the grave problems facing the country and their impact on our industry. But I think

that it is much more constructive to analyze what challenges these grave times pose to us and how the computer industry can help solve them. In this regard, I think that we have to emphasize above all what is called "use technology." I firmly believe that the future will belong not to the people who make the best computers but to the people who are able to make the best use of them to solve their own particular problems. The profound impact that the use of computers can have on productivity and overall economic efficiency, their role in education, in production automation, etc, are all factors that we cannot ignore if we want to build a modern country and narrow the technological gap between us and the developed countries.

MERCADO: Do you think, with the inflation rate as high as it is now and with the import restrictions, that you can maintain internationally competitive quality and costs?

Savanti: According to one view, exports are not hurt if the exchange rate moves in step with the rate of inflation. The rate of devaluation is tied in general to an index of average prices. However, in times of high inflation like now, shifts in relative prices are very sudden and random, and the averages lose their meaning, and thus the exchange rate gets ahead of or lags behind the company's actual costs. This obviously makes proper planning difficult, given the lead time that exporting requires. In addition, we should bear in mind that the distortions that high and mounting inflation generates make any production activity unworkable. Therefore, I agree fully with President Alfonsin's statement that it is absolutely indispensable to cut the current rate of inflation. As far as import restrictions are concerned, they have not hurt our company because our plant exports 99 percent of its output and we work with the temporary admission system, which has so far not been affected. This system is a key element in promoting industrial exports and an interesting example of the kinds of measures that can be taken to foster export-oriented production without absorbing National Treasury funds.

MERCADO: Can IBM export profitably at the current exchange rate, or does it need a better rate or some sort of compensatory rebate?

Savanti: As I was saying before, the exchange rate is a fundamental element of an effective export policy. This is especially true in our case, because the products are assigned to the various plants on a competitive basis in which cost is the major decision-making criterion. Although the current exchange rate is worse than it was in 1982, when the cost of producing equipment at the Martinez plant was 15 percent lower than at the sister plant in the United States, our prices are still competitive internationally today. Thanks to this, we can say that our exports bring in reasonable profits for IBM Argentina. I should note that over the past 3 months the export exchange rate has improved, and if this trend continues we will be even more competitive in the tough struggle for growth and the securing of new products.

MERCADO: Since you were at the meeting between Mr Akers and President Alfonsin, can you tell us about the details of their conversation? Was there any specific agreement or promise?

Savanti: Mr Akers told Dr Alfonsin how pleased he was with the work that IBM Argentina has been doing in the country for more than 60 years now and with the high quality and advanced technology at the Martinez plant, which has enabled us to compete successfully in such sophisticated markets as Japan, Germany, France, etc. In addition, his comments on the expansion program and the increase in exports, which I mentioned at the outset, met with widespread approval, especially from Mr Campero. Finally, Mr Akers voiced his conviction that Argentina would soon find answers to the problems besetting it now. For their part, both the president and Lacerca reaffirmed what they stated on several occasions during their trip, to the effect that there were no plans to establish market reserves or to place restrictions on competition in the domestic market, thus dispelling any doubts in this regard. It was a highly successful meeting in every way.

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CSO: 3348/790

ARGENTINA

INFORMATICS THIRD NATIONAL CONGRESS REPORT

Buenos Aires MERCADO in Spanish 23 May 85 pp 28-29

[Text] The organizers of Usuaría 85 were deservedly pleased as its two main events, the Third National Congress of Informatics and Teleinformatics and Expo-Usuaría 3, drew to a close. And with good reason. In spite of some doubts raised by economic conditions, the congress and the exposition were even more successful than in previous years: almost 2,200 participants (1,800 in 1984) and 125 papers submitted, 80 of them approved. Some 50 companies and institutions crowded into the Expo-Usuaría facilities, and a great many had to be turned away. The fact is, as the organizers pointed out, that Argentina's economic vicissitudes notwithstanding, the computer industry is fortunately still moving forward. Encouraged by the turnout, the people at Usuaría, the organizing body, did not hesitate to announce Expo-Usuaría 86, which will be held from 19 to 23 May 1986.

The Third Informatics Congress was chaired by Norberto Torrera, who at the opening session underscored that it was a "open forum for the exchange of professional and technical know-how and experience." Also taking the floor were the president of Usuaría, Jorge Basso Dastugue; Fermin Bernasconi, the head of IBI (Intergovernmental Office for Information), and Manuel Sadosky, the secretary of science and technology.

In an address that prompted lengthy applause and that was not limited to formalities, Basso Dastugue said that "Argentina must cease to be a country for just a part of its population. As a feeling, as a spirit, it must have the comprehensive, all-embracing momentum that comes only from the conviction that it is marching towards objectives that are common to the entire nation." Regarding computers, he said that they are "the decisive element for progress in the society of the future," emphasizing that the United States, Japan and France, among other developed countries, are by now totally aware of the vital importance of computers. "Therefore, we must also join this new era and work with the conviction that we can narrow the gap between us and the most advanced nations today." In a word, Basso Dastugue spoke of a "challenge to the future" with the support of computers. Sadosky began his speech with a reference to Decree No 621 of April 1984, which established the National Informatics Commission. He went on to say that the commission has proposed to the national government a comprehensive, long-term policy that "sees the computer industry" as strategic and that calls for increased computer use

"in accordance with the country's needs" and for the industry's technological development. He then referred specifically to the development of the domestic computer industry and its role in educational programs. With regard to industrial considerations, he underscored the interest in and efforts to develop software: "The national government also seeks to promote the local development of software, a key element in penetrating computer markets and, because it is knowledge-intensive, an activity that is particularly well-suited to the country's capabilities."

Professor Bernasconi then spoke on "Latin American Strategy for the Year 2000." Speaking on behalf of the Club of Cali, he stressed the importance of regional meetings among the developing countries to defend their sovereignty and to strive for their own computer-industry development. In this regard he underscored that computers now more than ever are an extremely important source of power. He somewhat dramatically quoted the words of the president of the Ivory Coast, Felix Houphouet-Boigny: "History was witness to our inability to undertake the industrial revolution. History will not forgive us if we allow the computer revolution to slip by."

From an academic standpoint, the efforts of Dr Juan Carlos Chervatin and a committee made up of representatives from five university departments and the IEEE were very successful. One result was the level of the foreign speakers; another, the selection of the papers submitted, along with the collaboration of many university professors and the presence of the college students who received special scholarships. Although students have been attending Expo-Usuaría in large numbers since 1983, the 140 scholarships awarded to students with a variety of majors at several public and private universities is a new and important development that Dr Sadosky had warm praise for in his address.

A wider range of technical and strictly computer issues than before were covered at the congress. This could be seen from the issues addressed: microcomputers, office automation, communications, operating systems and advanced languages, robotics and future international trends. Also noteworthy in this regard were the many papers, round tables and talks on applications in health care, industrial processes, education, computers and the courts, and even engineering topics connected with nuclear and petroleum projects.

In our opinion, the plenary sessions were the highlight, because of the issues taken up and the enthusiasm they generated among the participants. Especially memorable at these gatherings were the presentations by Guillermo Prada, a Colombian engineer living in the United States, Declan O'Riordan from the United States, Louis J. Balme from France and Mort Sinkoff, another American. Prada talked about trends in communications, emphasizing the development of processor networks and explaining clearly and simply what local networks, optical fibers, etc are. Complementing his presentation, Sinkoff discussed work stations and the problems involved in designing these interfaces between computer systems and users. On a more general level, O'Riordan outlined the trends in computer

technology, and taking a different tack, Balme left us awestruck with his comments on research and development programs, giving us food for thought about our humble efforts in this regard. Research was also the topic of Yoshio Esaki, who described IBM's Institute of Computer Science of Japan. Mr Esaki showed slides on the linguistic, medical and chemical research that the institute is conducting.

As we said before, Usuaría 85 gave expanded coverage to business and politics as well. Several sessions broached issues connected with business decision-making models, and many of the presentations and round tables dealt with business. Accorded equal interest were the companies that are system users, that develop software or that are now trying to become involved in the development of the domestic computer industry.

The most significant political development was the establishment of the Argentine chapter of the Club of Cali. Politicians of various stripes who are interested in the topic of computers and sovereignty were active participants. The creation of the chapter was announced at the close of the Fifth Latin American Meeting of Computer Users.

In conclusion, we can say that Usuaría 85 shows that users, professors, businessmen and technicians alike are aware that we are looking at a "necessary opportunity," and as Bernasconi emphasized, we are determined not to waste it. Computers can help us to grow and, furthermore, to overcome our serious backwardness.

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CSO: 3348/790

ARGENTINA

CAUSES FOR NEW DROP IN MACHINE TOOL INDUSTRY EXAMINED

Buenos Aires CLARIN in Spanish 28 May 85 pp 42-43

[Interview with Ricardo Sanchez, head of Argentine Association of Manufacturers of Machine Tools, Accessories and Related Parts, and articles]

[Text] Following the recovery experienced during the first half of 1984, the machine tool sector suffered another setback that has resulted, according to Ricardo Sanchez, head of the Argentine Association of Manufacturers of Machine Tools, Accessories and Related Parts, in a drastic reduction in sales, now 50 percent under their normal level.

[Question] How has the sector been affected by the drop in gross investments experienced in recent years?

[Answer] Machine tools are a capital investment that produces goods, meaning that they increase production. In a system where speculation has been rewarded and the productive system punished, the manufacture of machine tools is suffering the consequences.

The drop in fixed gross investments has had a direct effect on manufacturing, falling spectacularly and constantly over the past 7 years.

In the last 5 years and based on what I have just said, this negative trend, which began in the second half of 1979, has remained at a constant level, with the resulting deterioration in industries in the sector.

[Question] How has the industry done from the standpoint of production? Have large companies closed or have any specific lines of manufacturing disappeared?

[Answer] Our sector is made up of small and medium-sized industries in which the management of the company is in the hands of the owner himself, with highly specialized personnel and equipment. In such difficult times, this helps us to adapt rapidly to other possibilities, enabling us to continue to move forward, but with a drop in production of machine tools of some 80 percent.

The level of personnel has evolved in keeping with the recession. From a staff of 4,000, we now have approximately 2,500 workers.

[Question] What is the technological level of this industrial branch today?

[Answer] The economic recession has affected the country's progress. Machine tools are not exempt from the general influence. Nevertheless, the thrust toward development and the incorporation of new technologies has been reflected by different manufacturers, who at the last EMAQH [expansion unknown] presented brand-new machines, some digital-controlled.

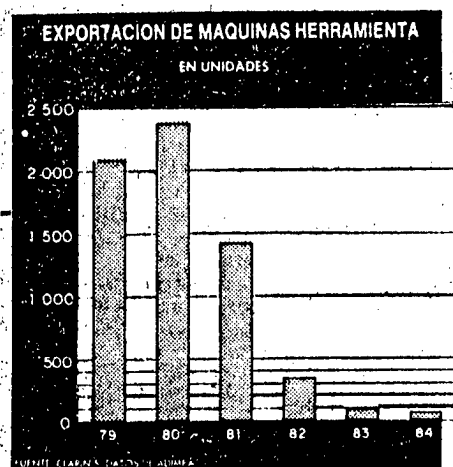
[Question] How are sales, following the recovery observed during the first half of last year?

[Answer] Following a prolonged period of a drop in investments and production, the hope created by the arrival of the country's institutionalization and our EMAQH exhibition, there was a fairly accentuated increase in sales, which gradually declined in the last months of the year when the return to work and production did not come about.

[Question] Does the national supply of machine tools meet the demand?

[Answer] The national supply of machine tools is enough to satisfy most of the local demand, complemented by the importation of products of great technological complexity or those whose production in our country is not profitable because of the limited market.

Machine Tool Exports (in units)



Exports

"The lack of coherence in definitions for the country and of continuity of policies has caused products of a high added value to disappear from traditional markets supplied by Argentine manufacturers," said Ricardo Sanchez.

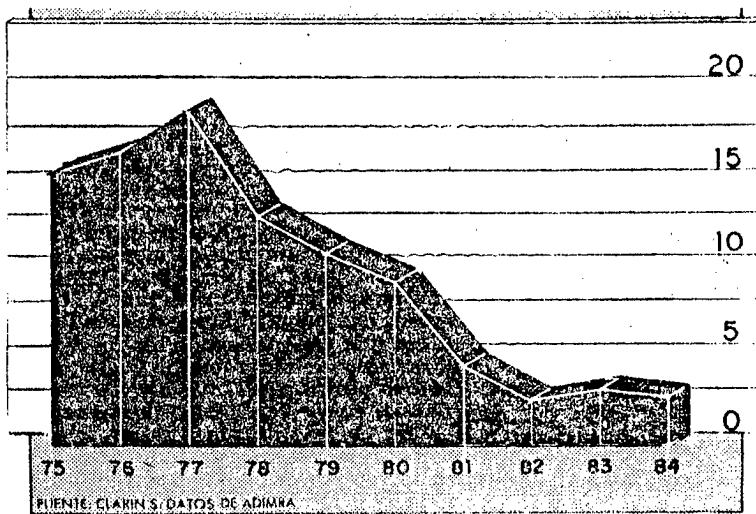
Consequently, although the technological level of the local machine tool industry has been adequate to meet the demand of intermediate markets such as our local market -- which, historically speaking, facilitated the sale of such

equipment in Latin America and developing nations in general -- "the uncertainty of economic policies caused Argentine enterprises to be replaced on such markets by countries with well-known, stable and aggressive foreign trade rules."

The sale of machine tools abroad began to experience a drastic drop beginning in 1980, when the marketed volume rose to 2,500 units. By 1981, the figure had already dropped to 1,400 and by 1983, to 100. In 1984, the level was even lower.

Nevertheless, this did not hinder the progress made in the sector from the technical standpoint. Advanced technologies were incorporated, along with computerization. "When one realizes that for these reasons, Argentine machine tools enjoy well-deserved prestige because of their quality and performance, one sees that exports could rapidly be increased with the flexible and effective application of the law of promotion," the manufacturer concluded.

National Production of Machine Tools (in thousands of units) (Source: CLARIN and ADIMRA [Association of Metallurgic Industrialists of the Argentine Republic])



Technological Evolution

A reflection of the overall state of the Argentine economy, the machine tool sector must overcome the long period of low productive activity, as well as the gap created by the importing process promoted by the previous government administration.

With the new unilateral economic opening, the local market watched the arrival of machine tools not adapted to domestic needs. Large machine tools were imported and at the same time, the growth permitted by the replacement of imports during the 1960's was paralyzed.

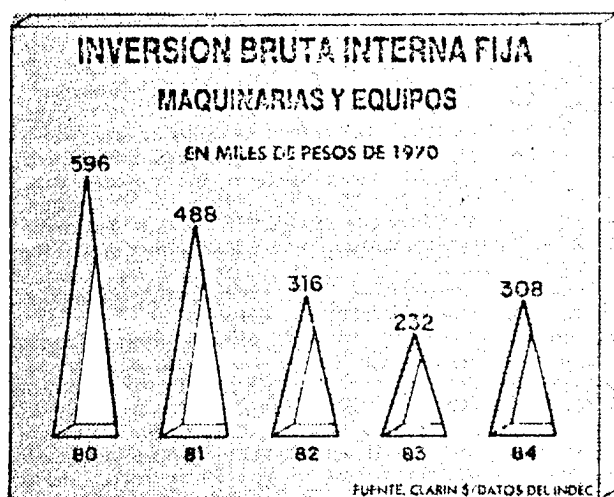
At the present time, going beyond the undeniable "spin-off" effect of this sector, in addition to the required productive thrust, there must be a technological change to overcome the gap of recent years.

One of the focal points around which the technological change must revolve is the electronic applications in operating machine tools. Throughout the world, digital control is the most widespread technique.

These computers incorporated into machine tools, while already in production in the country, must be used on a wider scale.

However, only continuity in economic policies and sustained growth in production will make it possible for advances achieved not to be lost as access is gained to the technological level of the more industrialized countries.

Gross Fixed Domestic Investments in Machinery and Equipment (in thousands of 1970 pesos) (Source: CLARIN and INDEC [National Institute of Statistics and Census] Figures)



Lower Investments

The machine tool sector in the second half of last year watched expectations generated by the considerable recovery of sales in early 1984 disappear. Nor could results be different since the recovery was not based on solid growth in the production apparatus. The demand for equipment was scarcely above that of the depressed preceding year and following the spectacular drop experienced beginning in 1980, gross fixed domestic investments continued to decline. For the machinery and equipment category, there was a slight increase on the basis of growth in the import section but not that of national manufacturing.

11,464
CSO: 3348/781

BELIZE

ESQUIVEL REVIEWS DOMESTIC DEVELOPMENTS AT NEWS CONFERENCE

Report on Accomplishments

Belize City AMANDALA in English 21 Jun 85 pp 3, 11

[Text]

BELIZE CITY, Wed. June 19

At his press conference this afternoon, Prime Minister/Minister of Finance Manuel Esquivel, a former teacher, passed out his own report card for the press to peruse.

The white paper declared, "On the revenue side, all major sources of government recurrent income show a healthy growth."

Comparing April-May 1985 with the same two month period last year, the white paper stated that income taxes are up from \$2.68 million to \$3.02 million, property taxes from \$174,000 to \$326,000, import duties from \$4.54 m to \$4.62m, ex-

port duties from \$113,000 to \$164,000 and revenue replacement duties from \$1.09 m to \$1.26 m.

Other grades showed that the new government has made progress towards paying off loan arrears to the Caribbean Development Bank, the United Kingdom government, Commonwealth Development Corporation, Plessey, United Nations agencies and other international organizations.

Esquivel said the government is "committed to erase all arrears by September 1985."

No assessment was given as to improvement or decline in the standard of living.

Critique of Economic Situation

Belize City THE BELIZE TIMES in English 23 Jun 85 pp 1, 12

[Text] At his press conference on Wednesday, Prime Minister Esquivel released what he called a "financial report" in which he took sadistic pride in saying how much tax he has been able to squeeze out of the people.

The figures released show the additional tax collected for the period April-May 1985 as compared to April-May 1984.

	<u>1984</u>	<u>1985</u>	<u>INCREASE</u>
Taxes on income	\$2.68M	\$3,02M	\$340,000
Taxes on prop.	\$174,000	\$326,000	\$152,000
Import Duty	\$4.5	\$4.62M	\$80,000
Export Duty	\$114,000	\$164,000	\$51,000
Rev. Rep. Duty	\$1.09M	\$1.26M	\$170,000

As regards to the foreign debt 'the report' states that it stood at \$134.2m as of Dec 1984. The arrears position was placed at \$20.1m of which \$6m has been paid and another \$10m rescheduled. All debt payments made by the Government including arrears amount to \$14.5M. This was no doubt paid out of the I.M.F. balance of payments support that was negotiated by the past administration.

The Government, Mr Esquivel stated, is committed to erasing all arrears by September 1985.

The National debt accounts as stated by Esquivel conveniently left out B.T.A. The reason is obvious. Under good management by the past Administration B.T.A. was able to arrange moratoriums on all its debts and became a very profitable Board.

The U.D.P. Government is now sucking out funds from B.T.A. (as it has done with the Port Authority) to be used in the National budget. This in time will push B.T.A. into serious financial difficulties.

The "financial report" of Esquivel also conveniently omits any mention of the heavy borrowings made by the Government from the Central Bank system by raising the reserves of the commercial banks and drying up all credit from the private sector.

The truth of the matter is that the economy is now in (word indistinct) Unemployment has risen considerably since December 1984, no new investments are taking place because interest rates are so high and in any event the banks have no money to lend the small and medium size businesses. The Government and the few big boys are hogging up all the credit.

And yet Esquivel is calling for more austerity and more sacrifices. "The facts," he said, "are known to the people so they can understand the need for restraint."

Ditching of University Project

Belize City THE BELIZE TIMES in English 23 Jun 85 p 8

[Text]

At his press conference on Wednesday, Prime Minister Esquivel announced his government made the decision not to go ahead with the BELCAST project because it could not meet the recurrent cost. It is one thing, he said, to establish a BELCAST Campus, but it was another matter to be able to afford the running cost.

At an earlier press conference, the Prime Minister said his government had decided to divert the \$12 million dollar loan and grant for BELCAST for the establishment of a hospital.

No real analysis of why the project was being shelved was given by the Prime Minister, nor did he explain how his Government would meet the running cost of the proposed hospital.

In defence of his Government's decision not to proceed with BELCAST Esquivel stated that neither Jamaica or Barbados had their own University. This is a clear indication

that the Prime Minister is not properly briefed with regards to the UWI position. For one thing, he must be reminded that the University has established large campuses in all these Caribbean countries... and they benefit directly. What is more he should already be aware that in the re-structuring of the UWI these countries and in particular Jamaica and Trinidad and Tobago have demanded greater control and have in fact threatened to nationalize these campuses. The truth of the matter is that the UWI has maintained its independence mainly because of the strong support it has received from the smaller Caribbean countries including Belize.

The Price Government had made a through study of the BELCAST project receiving advice on the project from various sources. So well prepared was the project that they were able to attract \$12 million from the

European development Fund. This clearly demonstrates that the European Development Fund was satisfied with the feasibility of this project.

The Esquivel government's decision not to go ahead with the establishment of BELCAST is clearly a political one. Educators in Belize should come forward now and make every effort to save the BELCAST Project.

Undue Reliance on Free Market

Belize City THE BELIZE TIMES in English 23 Jun 85 p 2

[Editorial]

[Text]

One of the leaders of the Third World in our Western Hemisphere holds firmly to the conviction that the future problem in the world will be a shortage of food. This would seem a contradiction when you recall that huge stocks of food are destroyed yearly in the industrial nations. Nevertheless there is truth in the conviction of this leader of the Third World because the problem arises not only from unequal distribution but also from diminishing local production in some countries.

The food policy of the previous government of Belize was to encourage local food production, especially by the small farmers and residents of both rural and urban areas; and to regulate this activity go hand in hand with the production of some commodities for the export market.

The objective of this policy is to ensure that the Belizean people will have enough food for their homes regardless of good times or bad times. This policy becomes one of survival at this time when the signs are that Belize is now entering stormy times not because the country was in debt at the

end of 1984. There were arrangements made to repay these debts by a reduction of expenditure in the budget and by certain arrangements with the International Monetary Fund.

The coming storm is generated by wrong policies of the present government, chiefly from careless and extravagant expenditure of a limited budget and also from setting loose the crushing forces of the free market without adequate government regulation not only to protect the small farmers and the industrial workers but also to cooperate with the large producers by ensuring right and equitable plans of development where both large and small producers would reap the benefit of their labour and their investment.

This policy of the previous government is also supported by and consistent with the proposals of the North - South programme for survival. This programme encourages the production of food, especially by small farmers. Its target is the abolition of hunger.

"The world must aim to abolish hunger and malnutrition by the end of the century through the elimination of absolute hunger. Greater food production, intensified agricultural development, and measures for international food security, are essential."

At this time it is essential for Belize, in particular in the North where the sugar-cane industry is in great difficulty mainly because the government has left the industry to the vicissitudes of the free market forces. For survival the the sugar-cane farmers should further their efforts to grow their own food until improved economic times return to the North.

The problem in the North results from a situation aptly described by the Commonwealth Secretary General, His Excellency Mr. Shridath S. Ramphal when he addressed the Inaugural Silver Jubilee of the Economic Commission of Africa on April 29, 1985.

"We are witnessing a major assault on an already fragile structure of international cooperation There is such profound ideological conviction of the virtues of the market place and the free enterprise system and in the evil of 'communism' and the inefficiencies of centrally planned

economies that the assumption of such authoritarianism at the global level will actually be believed to be beneficial to all concerned; certainly it will be presented in righteous terms.

"This has implications far beyond economic issues. It has rather special political ramifications for Southern Africa and Central America...It is part of this retreat from international cooperation, retreat from multilateralism that on North-South issues the North seems to have decided that there is really no need to negotiate with the South.

"Why this retreat from human solidarity? Not, I believe, because the world is not being perceived as the interdependent community that it is; but because the strong within the community are refusing to accept the duty of care towards fellow citizens. Recognition of mutual interests is not leading to fulfillment of mutual needs but to reliance on self-assertiveness and even compulsion."

Human solidarity would require the beet-sugar producers in the industrial countries to reduce their surplus production in order to allow the purchase of more cane-sugar and thus ensure more export markets for some countries of the third world.

Belize, with its small population and its mini-economy exposed to external forces, should not be left to the vagaries and the vicissitudes of the free market. The first duty of a government is to govern and to govern in the best interests of its people by leading them in the right direction and protecting them in their constitutional rights and duties.

BELIZE

SUGAR FACTORY CLOSING SPARKS PLANS FOR DEMONSTRATION

Belize City THE BELIZE TIMES in English 23 Jun 85 pp 1, A

[Text]

Cane Farmers of the Corozal and Orange Walk Districts together with their families will converge in Belize City next Wednesday, June 26th for a peaceful demonstration through the principal streets of the City.

The planned demonstration results from the Government's collusion in the closure of the Libertad Sugar Factory.

It is now confirmed that the Factory closed its gates Friday June 21. The machines are quiet, the workers sent home. The old stately Libertad once the pride and joy of the North is now like a graveyard of iron and pulleys.

The Government of Prime Minister Esquivel has decided to sacrifice the jobs of 500 Workers and the welfare of 2000 cane farmers and their families on the Alter of expediency.

The U.D.P. has become willing conspirators in the I.M.F. game to keep the government out of the sugar industry. The P.U.P. Government of Prime Minister Price had fought hard for Libertad. The past administration had refused to bow to the I.M.F. pressure and had negotiated a letter of intent with Tate & Lyle which would have kept Libertad open for the foreseeable future.

But soon after the UDP victory, Esquivel, Lindo and Juan met with the officials of Tate & Lyle and began displaying a callous disregard for the welfare of the cane farmers and the workers in the factory. They played the dangerous game of brinkmanship threatening to cancel out the letter of Intent. Now they have lost the game, Tate & Lyle played hard ball and decided to close down Libertad.

For Esquivel and the UDP Ministers it was a game played by amateurs. But for the workers and the cane farmers it was their life blood and the future of their children that was being cut off & destroyed.

Corozal is facing its worse depression ever. Many more now have joined the growing ranks of the unemployed; and with the already depressed price for sugar on the world market the closure of Libertad is a cruel and inhuman blow.

They will not take it lying down. Nor should they. It is a blow to all Belizeans. For the sugar industry affects every facet of Belizean life from the Hondo to the Sarstoon.

Storage Limited in Belize City will also be hard hit by the closure and many will be laid off.

The North will converge on Belize City next Wednesday to show Esquivel and the UDP masters that they cannot continue to trample on the workers and farmers; and citizens of Belize City and other Districts will join the demonstration to show solidarity with the brothers and sisters of the North.

Judging from the reaction of many citizens to this planned demonstration, the feeling is widespread that there is so

much to demonstrate about. The blunders of the UDP in the sugar industry; the many false promises they made: like what happened to the 1000 jobs? The hypocritical attempts to violate our fundamental human rights - freedom of speech! Denying T.V. to the PUP. The blatant interference with our Supreme Court and the threats against the Chief Justice.

The young but already arrogant Government is destroying our freedom and our democratic way of life and pushing the economy over the cliff to destruction. A stop must be put to them!

At the time of going to press, the people's United Party Secretariat was still awaiting approval of the permit to hold the demonstration next Wednesday. This permit was applied for a week ago. The authorities are setting out the excuse given is that the Commissioner of Police was out of the country and was not expected back until Friday. In any event we do not expect that they would dare to deny the people their right to demonstrate peacefully. This right is also guaranteed by the constitution.

So all is set for Wednesday, 26th June, 1985. The people are standing up for their rights.

BELIZE

UDP GOVERNMENT ACCUSED OF SELLING OUT WORKERS

Belize City THE BELIZE TIMES in English 23 Jun 85 p 4

[Anonymous column "Bottom Line": "Protest and Demonstrate"]

[Text]

The UDP Government is literally hell bent in bringing gambling to Belize. So committed is the PM and his Ministers to the casino owners that they cannot turn back down the road upon which they have embarked.

In desperation the government, which did not include casino gambling in its manifesto, is clutching at the straw of gambling in preference to hard-work and agriculture.

The philosophy of something-for-nothing will replace the ethic of hard work.

Belizeans will be relegated to the role of maids, cooks, janitors and domestics. While the foreigners enjoy the cream of the good-paying jobs.

Libertad Sugar Factory can never be replaced by casino gambling. The cane farmers are proud individuals who own their own lands and sell their crops. They are the back-bone of our mixed economy of capitalists and government working together. Now they have been let down by a government that is more concerned about politics and lining its own pockets than solving the grave economic problems.

The ruse of talking about selling the Corozal cane to the Obregon factory in Mexico has also provoked the situation. In six months time the UDP government has succeeded in provoking the people to take to the streets to protest their many grievances.

It is going to be one long hot summer.

CSO: 3298/870

BELIZE

UDP EXECUTIVE COMMITTEE MEETS; DEAN LINDO PRESIDES

Belize City THE BEACON in English 22 Jun 85 pp 1, 4

[Text] A conference of the National Executive Committee of the governing United Democratic Party (UDP) was held on Sunday (June 16) at the Agricultural Show Grounds in Belmopan. The proceedings were conducted by Party Chairman Mr Dean R. Lindo, Minister of Natural Resources.

Among the matters dealt with at this conference was a resolution for entry of the UDP into the International Democratic Union. The IDU is a union of democratic political parties throughout Europe and the Americas, all subscribing to the basic principles of democracy--personal freedom, justice for all under the law, free enterprise and the brotherhood of man--all of which adheres to the policy of the UDP.

Of paramount significance on the agenda were detailed ministerial reports on the performances of the various ministries under the UDP administration. Each minister reported on the present work in his ministry and of the work which has to be done to repair the financial mess and irregularities left by the previous administration. The government ministers assured the gathering that the cleaning up process will be accomplished by the end of the year.

The key-note address was delivered by Party Leader Prime Minister Mr Manuel Esquivel.

The conference was attended by delegates from all twenty-eight electoral divisions countryside, and also by delegates from the Central Executive Council of the Party.

The next conference of the National Executive Committee has been set for Sunday, September 29, 1985 at Orange Walk Town.

CSO: 3298/871

BELIZE

BRIEFS

ESQUIVEL ERROR ON ALIENS--Prime Minister Esquivel has finally admitted that he made a major blunder when he told the nation that the number of aliens in Belize was 47,000. At a press conference on Wednesday he explained that in fact the Ministry of Home Affairs was now reviewing the figures to ascertain the correct number. PM Esquivel made the erroneous statement months ago and although the figure given was pointed out to be erroneous in the local press, both the PM and the Minister of Home Affairs repeated the figures as being accurate. This was seen in some quarters as a deliberate attempt to mislead the people and to confuse and incite Belizeans against aliens. [Text] [Belize City THE BELIZE TIMES in English 23 Jun 85 p 5]

CSO: 3298/871

BERMUDA

POLITICAL ACTIVITIES INVOLVING MAJOR PARTIES REPORTED

PLP Resignation

Hamilton THE ROYAL GAZETTE in English 12 Jun 85 p 1

[Text]

A member of the Progressive Labour Party Supporters for Change has officially resigned from the PLP and he says more party members are considering following his suit.

Mr. Charles Jeffers, an active member of the PLP for 13 years, said the PLP has lost its primary objective to become the government of Bermuda.

In a letter written to PLP Chairman Mr. Alex Scott, Mr. Jeffers said he was distressed over the last year's events and under the present leadership any attempt at unifying the party seems highly improbable.

"There are a number of PLP people members who are frustrated and upset the party is being divided and hence destroyed — a house divided cannot stand," he said.

"I refuse to believe the majority of people in the PLP are satisfied at what's happening and it's unfortunate that a dramatic act must be taken to evoke some sort of response."

Mr. Jeffers said he would prefer to be a member of a revitalized PLP rather than join a third party.

"I do not relish the idea of a third party but the PLP seems bent on self-destruction."

Mr. Jeffers ran as an unsuccessful Pembroke West Central candidate in 1980, and he was a member of the PLP central committee during 1983-84. He also served on several PLP committees during his membership.

Party Chairman, Mr. Alex Scott said he was always sad to receive the resignation of any member but the party had a greater responsibility to the hundreds of members and thousands who support the PLP during an election.

Independents' Plans

Hamilton THE ROYAL GAZETTE in English 14 Jun 85 pp 1, 3

[Text]

Bermuda's newest political party is using the Pembroke West by-election as a trial run to judge its chances of winning the mantle of the official Opposition from the Progressive Labour Party.

Independent campaign workers are hoping to push the PLP into third place when the votes are counted on July 11 in the United Bermuda Party stronghold.

"We are working for victory, but if we do not manage to beat the UBP we will still have a victory if we come second," said spokesman Mrs. Kathleen Bell.

She added: "We are viewing the by-election as a means of discovering whether the constituents of Pembroke West are interested in an independent viewpoint in Parliament.

"If our information is correct we stand a very good chance of making good in-roads in Pembroke West."

But leaflets being distributed to homes in the Pembroke West area stress that a second place in the election would help take away the third party label and begin the process of becoming the Opposition.

It adds: "If the Pembroke West electorate sees fit to vote for our candidate these voters will be opening up the political scene for healthy democratic processes to begin."

Then in a General Election the independents must work for victory.

"If, in the first General Election since our formation, we are unable to win Government, we must win more than enough seats to ensure that we are the Opposition.

"In this way, we can participate in the Parliamentary processes and we can prod, oppose and encourage the Government to get on with the job."

The independents add that their supporters must seek places on Governmental boards and committees which deal with the running of the Country.

"In this way we will learn and develop our skills," adds the leaflet which explains the origins of the Independent Members for Change.

The PLP has ruled that its Party members are not allowed to sit on the majority of Government's boards and committees.

Mrs. Bell said: "The PLP leadership is afraid that Government will steal its ideas. It's very retrogressive.

"People who are interested in a political future find it very difficult to learn the necessary skills.

"We care about what goes on in Bermuda and if the Government of the day takes our ideas, and they are good ideas, then we benefit as a community."

She said the new group was already developing an identity of its own, and was different from the PLP.

"The atmosphere at our meetings is positive, whereas in the PLP if you don't agree with the leadership no-one wants to be able to hear from you."

The leaflet adds: "We should consider ourselves to be a cohesive political force.

"The public is watching our actions and statements very closely and a broad spectrum of the Bermudian public appears to be interested in our efforts to stimulate political participation in Bermuda.

"Twenty years ago, when a group attempted to form a 'third' party, party politics was completely new to Bermuda.

"Today, both Government and the Opposition are concentrating on the enhancement of their respective leaders, who, in turn, are focussing on their individual programmes of self-aggrandisement, to the detriment of the serious issues causing such concern and hurt in the community."

But PLP chairman Mr. Alex Scott said the by-election was not being treated as a contest between the independents and the PLP.

He said voters were much more concerned with local issues than with political labels attached to any of the candidates.

"We are probably going to campaign on issues rather than ask people to choose a PLP label instead of a UBP label or an Independent label.

"At the end of the election every vote cast for the PLP candidate will allow us to make a public statement on that particular issue."

He said the PLP had decided not to take part on Governmental boards and committees as they saw the role of the Opposition to be that of critically reviewing and questioning Government's decision making.

If they had played a part in the formulating of decisions and policies they would not be able to carry out the duty of the Opposition.

He added: "I think these people had a difficult time, even when they were in the Party. I think they are now going to find themselves sandwiched in between two political machines."

UBP Candidate's Dissent

Hamilton THE ROYAL GAZETTE in English 15 Jun 85 pp 1, 3

[Text]

United Bermuda Party (UBP) candidate for Pembroke West, Dr. David Dyer, last night made his case for being selected as MP with a slamming attack on the UBP government.

Dr. Dyer was speaking with fellow candidates Senator the Hon. Gerald Simons and Mr. William Lusher at a UBP candidates' forum at the Pembroke Community Centre as part of the run-up to the June 20 primary.

Dr. Dyer told a gathering of 100 that his canvassing he had "found an increasing number of people sick and tired of a Government who will not defend itself against attacks from members of the Opposition, who make promises which are not kept, who waste money on expensive reports by people who know nothing about Bermuda."

Dr. Dyer slammed:

- MPs afraid to speak out and put their arguments forward.
- The 1985 budget — "one of the most inflationary in history".
- The soaring cost of living which hits pensioners hardest.
- Too high rents and lack of rent subsidies.
- The failure to curb cars.
- Crime and drug abuse.
- "Ridiculous" school closure plans.
- A "shambolic" Immigration policy.

"What Bermuda needs is people who have the guts to make decisions, act on them and see them through," he said.

Senator Simons, an insurance executive, said Government needed more businessmen in Parliament and stressed he had already been able to get poor roads in the constituency repaired.

He wanted to instil traditional values in young people and called for more personal responsibility in fighting drugs.

Mr. Lusher said he would attempt to gain the consensus of the constituency before "stating his case in Parliament".

He said he would oppose independence and said "All Bermudians must unite and go forward in this, our war against drugs".

BRAZIL

SARNEY TO STUDY NEW APPROACHES TOWARD SOCIAL PACT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Jul 85 p 4

[Article by Carlos Chagas: "Sarney Will Give Priority to Social Pact"]

[Text] Signs are beginning to appear this week that President Jose Sarney will reveal the strategy of the broad political pact to be made between the government and the nation. That pact would no longer be based on an overall understanding in which all national sectors would previously participate, but would be initiated by sectors. In a second phase the results achieved in specific groups would be collected for an attempt at a greater accord among all.

This is how it is explained: While with the participation of the government, the businessmen and employees would discuss social subjects pertaining to them, the politicians, through the parties, governors and congress, would try something similar in the framework of forming a broad base for support of the Executive. At the same time, advocates of state ownership and private ownership would seek points of understanding in the field of administration. There would be others.

The social pact, the party pact and the administrative pact would in that way achieve substance and would serve as the foundation, together with others, of the so-called great national political pact.

The alternative had been examined by the deceased President Tancredo Neves before his illness. He went as far as speaking of the social pact as a preliminary step and even said that if that line were to be followed Brazil would be adopting a formula different than that of Spain. Over there the beginning was the broad Moncloa Pact for creating a democratic system, which up to that time was nonexistent even in details. There was the future of the king above the parties and the doctrinaire and ideological factions. Only 2 years afterward was the social pact made between management and labor.

Tancredo supposed that here the situation was different. After all he was elected without a breakup of the institutional structures and even within the rules established by the Old Republic. The New Republic would be completed by the pact or by the National Constituent Assembly which would

follow it, but at any rate, they would not be beginning at zero as in Spain. It was not necessary to revoke the constitution even though preparations for a new one were begun. Nor was it necessary to create a de facto Legislative Branch because it already existed. Neither was it necessary to reestablish freedom of the press or remove all the authoritarian trash because part of it had been gradually removed.

Therefore, the inclination of the president-elect at the beginning would be to promote sectoral pacts. The social would come first, restricted to the composition of interests or to the establishment of a truce between management and labor. The latter, even without promising to go on any more strikes, would accept certain conditions of sacrifice. The former, on a greater scale, would pledge themselves to reduce the upward price spiral; would try not to dismiss any more people and would examine a revision of the wage mechanism. Each party would give a little but the two would arrive at common decisions, knowing that unemployment is the most acute point of contention in the social question today. It would be important to have the participation of the third angle of the triangle, the government. With respect to the labor problem, no longer would isolated initiatives be taken by the federal branch without hearing labor and management.

The same thing would happen on the level of parties, with the participation of Congress and the governors. It would be the search for a strong base of support for the government, even if certain theories and many interests of each group would have to be compounded, mixed and curbed.

When President Jose Sarney assumed office, he became enthusiastic about inverting the factors of the equation. He believed he could obtain, after consulting the different social segments, the establishment of what he called a broad national political pact, which means a great accord involving all of society in its party, social and administrative aspects, and others. Things moved but not as he expected, precisely because sectoral obstacles have served to curb overall intentions. Retail imposes itself over wholesale and the result has been an outbreak of strikes, on one hand, and party confusion on the other, not to say anything about the administrative split which has appeared around absolute presuppositions such as that of state ownership and abolishment of state ownership.

In coming days Sarney and his advisers will examine the hypothesis of stitching together the making of a great national accord in a different way. Perhaps Minister of Labor Almir Pazzianotto will be encouraged to take care of the social question, just as Sarney accepted the suggestion of Governor Franco Montoro to use the governors in making party agreements capable of preventing new scares or impasses in Congress. It is possible that he will mobilize his economic-financial leaders for a dialogue and broad discussion with the producing classes.

The great problem facing Planalto Palace is that of taking a stand. In addition to knowing that problems are interlinked, it should speak with a single voice. In order to sit at the table with management and labor, those advocating state ownership and those advocating private enterprise, those of the PMDB and of the PFL [Liberal Front Party], it has to have unity.

Sarney does not become exasperated at the criticisms of inaction or indecision, rather he points out that democracy is like that. The country became accustomed to seeing a government without apparent dissensions or frictions in the authoritarian regime. Suddenly, when ministers appear in conflict, the people become frightened, however, internal conflicts are inherent in democracy. It is obvious that they should not, and must not, reach exaggerated levels. Otherwise there will be a mess. That is why he always repeats that once decisions are made within the framework of the government they cannot fail to be respected in the government itself. Here and there he becomes irritated and lets things go by but there is a limit to everything. There will be no pact, neither sectoral nor broad, if the Executive Branch does not reach an acceptable state of unity.

8908

CSO: 3342/222

15 August 1985

BRAZIL

FINANCE MINISTRY REFUTES SARNEY'S INFLATION PROJECTION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Jul 85 p 21

[Text] Technicians of the Ministry of Finance in the area of price controls received the statement by President Jose Sarney in an interview published in JORNAL DO BRASIL yesterday with surprise. In it he admitted that monthly inflation in July, August and September will be around 10 percent. The technicians said that all Finance Ministry forecasts foresee indexes of 9 percent at the most for those months, even with July possibly reaching an inflation of 8.5 percent.

With much reserve the technicians observed that the Sarney statement could reencourage inflationary expectations, reduced at great costs with rigid price controls instituted since the beginning of the New Republic. The greatest concern of the Finance Ministry technicians is the effect that "10-percent inflation" could have on the retail goods distribution sector, primarily food.

The area of retail food sales is the "Achilles heel" of the price control policy of the Finance Ministry. SEAP (Special Secretariat for Supply and Prices), the CIP (Interministerial Price Council) and SUNAB (National Superintendency of Supplies), have no mechanisms to insure the evolution of prices, particularly in food.

Because of the lack of instruments of control in the sector, the retail trade is extremely sensitive to inflationary speculations and any expectation about increases in inflation almost inevitably leads to increases in prices, explained the experts of the Ministry of Finance.

Up to now government control has managed to discipline wholesale prices that are reflected in the IPA (Wholesale Price Index), one of the components of the IGP (General Price Index), and which mirrors the increase in inflation. This fact can be attributed to the action of the CIP, which brought almost

all industrial products under its control. The freezing and control of prices on service fees and government products also helped to bring relatively low IPA indexes.

However, in the ICV (Cost of Living Index), another component of the IGP which is completed with the INCC (National Civil Construction Index), the government is losing the battle, with this indicator showing higher indexes than the IPA.

8908

CSO: 3342/222

BRAZIL

LAND INVASION THREAT RISES IN PARANA, PACT IN PORTO ALEGRE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Jul 85 p 9

[Article by Cila Schulman: "Threat of Invasion Grows in Parana"]

[Text] Another 400 families erected tents early yesterday morning in the three camps organized by farmers without land in the southeast region of Parana, thus increasing to 8,000 the number of persons who are asking the state government for the immediate application of the agrarian reform. The leaders of the 17 rural worker unions of the region, who have been following the movement from its beginning, admitted that they have already lost control over the farmers and even warned Governor Jose Richa: If resettlements are not suitably worked out quickly, the tendency of those without land is that of forming new encampments.

The farmers installed in three places in the region within a radius of 200 kilometers, want the government to release 3,000 alqueires immediately in areas near the camps for the growing of collective crops. Representatives of those in the camps, in a meeting held yesterday morning with a committee appointed by the governor to try to demobilize the camps, gave 23 July as the final deadline for their request to be heeded, promising that if this does not happen, they will invade private properties. They explained that the 2,000 families in the camps have food for only 40 more days and need to plant crops to insure their survival until their transfer to the final settlements. However, the committee, which is made up of representatives of the Secretarists of Security and Agriculture of INCRA [National Institute of Land Reform and Settlement] and of the Attorney General's Office, declared that in principle the government does not intend to release those areas and that compliance with the other requests presented by those of the camps in the meeting is also remote: They asked for medical care and permission to cut firewood in the properties adjoining the camps.

Yesterday, in their third day of protest, those without land decided that other families arriving as of today will no longer be received in the camps: "Those who remained behind, who make up 90 percent of those without land in the southwest part of the state, will have to organize and find other areas for camping," said one of the leaders of the movement, Evaldo Paulo Jarzao. He asserted that there are 12,000 families in this region alone, who heed a piece of land for planting, and that there are 50,000 alqueire

of idle land there. Evaldo also foresees that "If the food becomes exhausted and we have no prospects of having our proposals met, we, the leaders of the camps, will not be able to control the people."

For the president of the Rural Workers Union of the Municipality of Planalto, Odacir Vincente Sapeiginski, "Need, hunger and anguish cannot be controlled by leadership." He stated the only help the rural unions can now give to those in the camps is "moral support." Threatened with death in telephone calls from "representatives of the ranchers," Odacir says that "If I could, I would control the growth of this movement, but his is no longer possible." He said that up until the last moment only 30 families were leaving Planalto for the camps, however, when it came time to leave, 130 families left. "And this is because they left in secrecy. If the news had spread, there would have been no landless person left in any of the municipalities of the region," he explained, adding that in these three camps are only the farmers who are members of MASTES [Landless Farmers Movement of the Southwest], who organized after confirming that "If we remained at home waiting, the Agrarian Reform is not going to happen."

Up until yesterday, new families were still arriving in the camps located in DNER [National Highway Department] areas along the roads which link the municipalities of Marmeleiro and Barraco, those of Chopinzinho and Sao Joao, and the camp located in the yard of the church of the Pio X community near the municipality of Salto do Lontra. These were the people who had problems with the heavy rains that fell Tuesday night, the day on which they all left, and they were surprised by the barriers formed by the police on the highways. They managed, despite the delay and the police roadblocks, to arrive at the camps. Moreover, for the time being, the police are helpless. "There are no invasions, there is no conflict, only a mass movement toward the camps," explained the commander of the Second Military Police Company of Francisco Beltrao, Capt Marino Ari Burille, company which covers nine municipalities of the region. He said the police are only observing and "exerting a slight pressure so as not to leave the people to do pretty much what they want." By doing this they manage to prevent some people, who are frightened by the barriers, from continuing to march. "Some conclude by giving up and that is better for us," he related. In addition to trying to prevent future encampments, the Military Police are active, through an intelligence section, in seeking to identify "who it is that is behind the movement." For the captain "There exist hidden forces organizing these people."

Actually, it is difficult to determine who it is who is at least supporting the campers. With the exception of the rural unions, who do not conceal their activities with the movement, denying only that they participated in the decision to protest and in its organization, it appears that no one else supports the landless ones. No politician of any party appeared in the area this week. Not even the members of the Pastoral Land Commission [CPT], who always circulated in other camps of the landless ones in the state, are seen now. The campers deny insistently that the church is involved despite the fact that MASTES itself began its activity through the CPT. The

only church help admitted by them is specifically this: one of the camps was installed in the yard of a rural church, which even furnished lights throughout the night to the campers.

The police also surrounded the area near the camp at Chopinzinho to prevent the landless ones from reaching the Giacometti-Maruidim ranch some 20 kilometers from the area they selected for protesting. Despite this, however, the presence of the police is almost a request of the landless ones, who fear an invasion of the camps by hired thugs at the orders of the ranchers. Also camped near each of the areas are six men of the Military Police. It is obvious that in case of conflict this force would be insufficient and just yesterday, acting on a previous order by headquarters, the police guarding the Marmeleiro Camp tried to prevent the unloading of a truck loaded with food, clothing and utensils, which were part of the belongings of the farmers from Planalto. The campers had already decided in an assembly that the truck would be unloaded and nearly 100 men carried the load into the interior of the camp. The six policemen, unable to react, were not even able to ask for instructions from headquarters because the battery on their only vehicle went dead and the distance between the camp and Francisco Beltrao is nearly 30 kilometers.

Captain Marino does not believe that landowners will use violence, nor is he worried with the possibility of invasions of ranches by the landless ones, however if either of those two things happen, the result would be a tragedy. After all, the president of the Parana Rural Society, Assis Bandeira, has been organizing the ranchers since the beginning of the year, amassing a large quantity of weapons "For protecting our properties." Trusting in the actions of the police, he says he does not intend to act. There is just one detail: Today the entire contingent of the Second Military Police Company numbers 90 men to watch over the nine municipalities. Altogether, says the captain, there are 120 but 30 of them are on leave or are sick. Admitting that his force is too small to act, the captain says with assurance: "War is war and our men who are not here will smell the war and return to help us."

Ranchers Announce Pact in the South

Two hundred rural landowners of 10 municipalities of the northeastern part of Rio Grande do Sul met in Carazinho, nearly 300 kilometers from Porto Alegre, to make a pact: In case the property of any one of them is invaded, all the rest will form a veritable army to expell the invaders. Yesterday the announcement of the pact was made officially by the president of the rural union and of the Community Council for Security of Carazinho, Vali Albrecht. According to him, the agreement is justified because the Rural Workers Union of the municipality is allegedly planning a wave of invasions of properties by landless farmers beginning on the 20th.

In Porto Alegre, the regional director of the National Institute of Land Reform and Settlement of Rio Grande do Sul, Erani Guilherme Muller, suggested to Minister Nelson Ribeiro that "the example must come from the country itself" and he asked for the release of an area of the municipality of Sao Borja which belongs to the army.

Today, Minister of Agriculture Pedro Simon, accompanied by the acting leader of the PMDB [Brazilian Democratic Movement Party] in the Senate, Gastao Muller, is going to investigate some invasions of rural properties in the municipality of Agua Boa in Mato Grosso, which are allegedly being encouraged by influential figures of Brasilia.

Inability

The leader of the PDS [Social Democratic Party] in the Senate, Murilo Badaro, said yesterday that the government's agrarian reform plan is "an act of political inability in addition to representing incompetence and ineptness on the part of the Ministry of Agrarian Reform and Development." According to him, "Rarely has a government action provoked a state of perplexity and anguish throughout the entire country." Badaro also said that no one is against reform but Brazil wants more than that, which means it wants a real agrarian policy that insures effective protection for agriculture and livestock raising."

In Brasilia, Minister Nelson Ribeiro gave a talk to nearly 80 officers of the Armed Forces Staff at the invitation of Minister Jose Maria do Amaral, in which he cleared up some doubts of the military men on the low productivity of the large estates. The greatest concerns of the staff officers are concentrated on the question of the productivity of the large land holdings and the minister was asked whether large Brazilian holdings would not be more productive than the small holdings, as happens in the United States. Ribeiro answered by saying: "We have figures showing that it is the small producer who produces most of the basic foodstuffs for the Brazilian population," and that only in soybeans does the large landowner produce more than the small farmer.

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COLOMBIA

BIO DATA ON LIBERAL PRESIDENTIAL CANDIDATE VIRGILIO BARCO VARGAS

Bogota EL TIEMPO in Spanish 16, 17 Jun 85

[Two-part interview with Virgilio Barco Vargas; date and location not specified]

[16 Jun 85 p 2-D]

[Text] The generation of employment, increased production with an improved standard of living, a curb on inflation and a redistribution of income and wealth constitute the priority goals of the economic thinking backing the Liberal candidate for the presidency of Colombia for the term 1986-90, Virgilio Barco Vargas.

The former minister of public works and agriculture, former mayor of Bogota, former board member of the International Monetary Fund and the World Bank and former ambassador to Washington described his views regarding the external sector of the economy, public finances, monetary management, agricultural production, that of industry and the country, financial orientation, the degree of interventionism and the labor system, in an interview granted to the magazine ESTRATEGIA, the text of which reads:

Development Model

ESTRATEGIA: The country has become used to every government, based on the development plan, setting basic priorities to guide the state's economic activity. In an administration headed by you, generally speaking, what would the development model to be pursued be, and as part of it, what would the priorities and roles assigned to the sectorial activity be? Should the development model implemented during the next 4 years be consistent with and include the recommendations made by the International Monetary Fund and the World Bank?

Virgilio Barco Vargas: I prefer to use the terms "orientation" and "preferences" instead of the phrase "development models," although I suppose that, in the context of your question, they mean more or less the same thing. The first thing is to establish the goals, which in turn determine the priorities and the policy tools that will have to be used.

I believe that, at the present time, there should be no controversy about the goals. The first one is an accelerated (very accelerated) provision of employment for men and women, youths and also older people who want to continue working. Secondly, we must attempt to have the jobs of such a nature that they induce constant growth in real production and a rise in living standards. A third goal, very important on my list of priorities, is that of curbing the chronic inflation, so as to embark on a phase of stability in the cost of living; so that when wages increase in monetary terms, they will also do so in real terms of their purchasing power. My fourth goal is to strive for better distribution of income and wealth, without jeopardizing employment and increased production.

This entails an equitable participation in the tax effort and special heed for those who cannot take care of themselves (the ill, the disabled, those above working age and children); and, of course, those currently employed. No less important than the foregoing is the restoration of a tolerable level of security for the lives and possessions of Colombians. In the absence thereof, as we have learned at a high cost in recent years, there can be no satisfactory economic progress. And, furthermore, to have greater security we need large numbers of jobs.

So, these are my five main goals. They are not new or original, but they are very important. I suppose that any government would back them, but there are differences that arise from circumstances. For example, when over 14 percent of the urban work force, that is 1.2 million out of the 8.5 million Colombians comprising that work force, are unemployed, and when they have been for a long time, the employment problem has a far higher priority than if we were in a state of greater employment. There is no question that the lack of suitable priorities has been a serious flaw in the present government, because the attainment of many goals depends on the achievement of others. When it is attempted to do everything, nothing is achieved. One thing comes into conflict with another.

In response to your second question, concerning the recommendations of the international financial agencies, my first reaction is that they should be considered a means for attaining an end, and not as the end itself. Now then, those recommendations have been devised partially to aid development, but essentially they are formulas for rescuing us from an emergency situation. Their nature depends essentially on the specific status of the country and of its economy, which changes every day. I agree with the ideals of a more open society, with parity in internal and external prices, in order to make Colombian products more competitive and both domestic and foreign investment more attractive. But the concrete measures for achieving these goals will depend on the conditions confronting the nation when, as I hope, I receive the mandate from the people to lead the country from the presidency. Like any good Colombian, I am pleased with the prospect of exporting coal and oil. But I would not on that account fail to take action on other fronts, because I must state that steady growth will depend on enlisting the entire productive sector for the task of exporting more.

External Sector

ESTRATEGIA: In your opinion, what are the leading reasons explaining the disturbing evolution of the Colombian external sector?

Virgilio Barco Vargas: I shall answer your questions with the caution that the policies which should be pursued in the monetary, exchange, fiscal, income and wage areas are interrelated, and it would be a mistake to deal with them in isolated fashion. One of the current government's mistakes has been not working on these fronts jointly. In the case of the International Monetary Fund, the emphasis lies in the external sector. Both the Fund and the World Bank have underscored the advantages of an open society and the need for making use of the international division of labor. To achieve this, a country, particularly if it is developing as Colombia is, must be really competitive. It must have the opportunity to purchase on the cheapest markets and to sell its exports at competitive prices. If these conditions are met, and if the peso has its appropriate value, it may be said that the world market is virtually unlimited for a small producer like Colombia. Therefore, the country should welcome and attract foreign investment. If it does not do so, other countries will, and we shall be left alone with our underdevelopment, locked behind the self-imposed barriers and restrictions, and trying to keep people from leaving and taking out their capital. If we understand this reality, we shall not have failed to use the harsh experience of recent years, during which we have practically abandoned the world market because of overvaluing the peso. It is not only ironic and odd, but truly regrettable, that the Colombians who took their money to the United States, instead of contributing to our country's development, should be helping to finance the American deficit.

The system of gradual devaluation, one of the great accomplishments of President Carlos Lleras Restrepo's administration, was devised to keep our prices in line with the external ones, once that balance had been achieved, and not to correct, over a period of years, a mess in the exchange rate which was allowed to accumulate. Using it for that purpose, which was not the original one, has been another mistake of this government, for which we have paid dearly. The present administration, which talks so much about social goals, has allowed well-to-do Colombians (and even foreign investors) to purchase and take away the country's international reserves at favorable prices. And the lack of competitiveness of our prices on the world markets, the over-valuation of the peso and the drastic ban and restriction on imports have contributed to the lack of reactivation and the intolerable unemployment rate that we are currently witnessing. So, as may be observed, one policy has effects on others.

ESTRATEGIA: What role would your administration assign to the foreign debt? What strategy would your government use to reverse the sizable flow of capital from the Colombian private sector that is escaping abroad?

Virgilio Barco Vargas: At first, our foreign debt as a whole was not excessive. But our desperate and largely failed attempts to retain the reserves in foreign

currency led us deeper into debt. Now, the government wants to replace the debt with foreign and domestic investment. The program should consist of setting preferences and attainable goals, and the intention of countering the recessive forces with expansive forces. Only when we have restored profitability, security and confidence shall we be able to expect a return of the capital flow.

ESTRATEGIA: In a government headed by you, what strategy would be used to resolve the external curb on economic growth?

Virgilio Barco Vargas: An exclusively exchange therapy is not sufficient to extricate the country from the external dilemma. The Colombian economy must necessarily be committed to a daring export policy, not only as an appropriate and expeditious means for resolving a cyclical imbalance in its external sector, but also as an efficient course of action; and this is perhaps the most important feature for achieving massive generation of employment. In our opinion, the country should not count on coal and oil becoming an energy prosperity that will solve the external problem for a few more years. Hence, it is essential to refine the tools for promoting exports and seek a presence on the international markets based more on our comparative advantages than on fleeting, expensive subsidies, without neglecting optimal development of the port and transportation infrastructures.

As for reactivation, I would like to add that, not only shall I not base my policy on the exporting sector, but I shall also attempt to make use of the great latent demand that exists in the construction sector. As in other areas, the present government has talked a great deal about this, but the deeds are not in keeping with the words. With the exception of a brief period in 1983, the area approved with construction permits has been declining. In Bogota, for the first 2 months of this year, there was a 32 percent reduction from the figure during the same period last year. Owing to burdensome restrictions, the credit agencies, such as the savings and loan corporations, have an excess of applications which they cannot deal with and, at the same time, excess funds which they cannot disburse.

Fiscal Problems

ESTRATEGIA: What is your diagnosis of the fiscal situation, and what would your medicine be for putting an end to the current fiscal deficit problem?

Virgilio Barco Vargas: The problems in this area are interrelated also. Too much government spending in comparison with the amounts collected increases the demand in monetary terms. In addition, when this excessive spending occurs simultaneously with the flight of capital, with a lack of foreign investment, and hence absorbs the private savings that should be directed toward local investments, the deficit becomes a recessive factor. In fact, this leads to the necessity for issuing excessive money, prices rising despite the depression and unemployment and an increase in the difference between the internal and external value of the peso, making exports less competitive. Therefore, instead

of having exports and construction help to reduce the recession and create employment, an impetus is given to the inflationary process and to unemployment.

I don't think that the fiscal deficit can be eliminated in an isolated manner, when we are in the midst of a recession. This must be part of a general program. There is no doubt that some expenses are less important than others, and that tax evasion is widespread. When more than half the government revenue has a specific destination and is beyond the government's control, and when a large portion of the spending, such as the military, that for the justice system and the debt service, cannot be cut, there is but little maneuvering room. This doesn't mean that we have to lean toward new taxes, but rather improve tax control mechanisms and prevent the deficit from increasing as a proportion of the national income, while measures are adopted to stimulate production and to restore the country's economic health. When mention is made of not establishing more taxes, it means that the transfer of funds from the private to the public sector may already be saturated; but it doesn't mean that a restructuring or adjustment, even of rates, is not or should not be made in the tax system, seeking more yield, more tax justice and greater savings in the amounts collected.

ESTRATEGIA: Would you agree with the need to cut spending, despite the fact that such a policy entails higher unemployment rates?

Virgilio Barco Vargas: There is no question that the state's efficiency could increase. In this respect, we are still considerably behind the developed countries. In the United States, for example, the office of the budget comes under the direct jurisdiction of the president, and to show its importance, its name is the "Bureau of Administration and the Budget." It is significant that administration has been put first.

Moreover, a major impetus for exports would make it possible to undertake action to cut the deficit without increasing unemployment. A basic mistake of the present government has been concentrating all its effort on an attempt to cut the deficit and procure more loans, without doing anything effective to stop the hemorrhage represented by the flight of capital. Furthermore, it encouraged that flight with its mistaken exchange policy and its lack of action to prevent the prevalence of the conditions which have created more and more insecurity in the country.

Monetary Policy and Inflation

ESTRATEGIA: What general guidelines do you consider fitting for directing the monetary policy during the next 4 years?

Virgilio Barco Vargas: Colombia must return to the notion of sound money as a fundamental part of its monetary policy. This means putting an end to the inflationary issues, whether to conceal the poor administration of public entities or to compensate for the lack of control in tax collections, or to engage in salvage operations for the inefficient private sector. Also, and as a foundation of a monetary policy healthy for the economy, we must institutionalize the notion of autonomy in monetary management, taking authoritative opinions from years ago which recommended a restructuring of the Monetary

Board in which promotion sectors would not even righteously exert pressure for sectorial monetary measures, to the detriment of the general policy. It is also necessary to restore to the Bank of the Republic its technical capacity and the high level that it has traditionally had, all for the sake of a sound monetary discipline.

ESTRATEGIA: After a considerable reduction in the inflation levels during 1983, 1984 and thus far this year, one perceives a heightening of the upward pressure on prices. In view of this problem, what should the next government's policy be? In the event that the dilemma should crop up between greater employment with rising prices or less inflation but with unemployment, what priority should predominate in devising the economic policy?

Virgilio Barco Vargas: The present government has not had a consistent monetary policy. The heavy losses of reserves led to long periods of shrinkage. The loans from the Bank of the Republic to the government caused short increments in money issues. When this happened, the money issue was rather a result of other policies, a result of the lack thereof. Hence, with the exception of a brief period, there has been little control of inflation. During the first quarter of 1985, the inflation rate was equivalent to nearly 40 percent per year, the highest in many years. Thus, the only economic accomplishment of the present government, namely, the reduction in the inflation rate, was lost. At the same time, unemployment increased. Neither the Monetary Fund nor the World Bank, and behind them the international banking community, demands price stability overnight. But they do request some indication that the overall policy will be accompanied by a gradual cut in the inflation rate. I agree with that policy. And, in addition to the alternative which you mention, I would go so far as to think that an increase in employment and a reduction in the inflation rate could be achieved simultaneously. As I have already stated, inflation must not be combated at the cost of human labor.

[17 Jun 85 p 8C]

[Text] The greatest promise of expansion for Colombian agriculture lies in exports, claimed the Liberal pre-candidate for the presidency, Virgilio Barco Vargas.

He also stated that he thinks that no one nowadays would dispute the necessity and feasibility of giving an impetus to industrialization as part of the economic development process; while wondering how to make industry play a role that will contribute to growth in the most efficient manner, which would be least costly for the country and more fitting both for consumers and workers.

The former minister of public works and former mayor of Bogota discussed these and other topics of national interest in the interview granted to the magazine ESTRATEGIA, the first part of which we published yesterday.

Below, we present the second installment of the interview:

Agricultural-Livestock Sector

ESTRATEGIA: Should the role of agriculture over the next few years continue to be tied to the role assigned it within the ECLA [Economic Commission for Latin America] system or, on the contrary, should the model be redefined in favor of a leading participation of agriculture and agro-industry in economic development? ESTRATEGIA recently noted that an appropriate response to the problems of unemployment and hunger in Colombia might be the structural redefinition of public spending directed toward the stimulation of the demand for agricultural-livestock goods. What would your opinion of this proposal be?

Virgilio Bargo Vargas: I don't agree with the assertion that the deplorable condition of agriculture is due to policies which benefit industry, despite what has been claimed by ECLA. In response to that, it would suffice to call attention to the deplorable condition of industry. Both sectors depend on the existence of a prosperous, growing economy; and, as I stressed previously, the key areas for fostering growth are those of exports and construction; areas wherein there is still an effective demand. The greatest promise of expansion for Colombian agriculture lies in exports. With the exception of coffee, the expansion that would have few repercussions on market prices would stimulate a great demand for Colombian farm products, as well as an increase in exports of industrial products. I repeat, it is a matter of our becoming more competitive again. Great progress has been and is being made in agricultural productivity in the world. We can take advantage of it, but for this purpose we must be more competitive, stimulate the demand and ensure greater participation in the market. On the other hand, the increased productivity in agriculture must be accompanied by employment opportunities in other areas and other places for some members of the farming families. The goal is not employment on the subsistence level, but rather to ensure better income and more employment opportunities for the people in rural areas.

The agricultural-livestock sector plays a critical role, both because of its role as a supplier of basic consumer goods and because of its contribution to economic growth. Hence, the goals of a policy for the rural sector are to ensure that, over the medium and long term, agricultural and livestock production will attain steady levels of growth, so that economic development will not be curtailed because of insufficient agricultural-livestock exports, or the nutrition of Colombians will not suffer from deficiencies in the food supply.

For this purpose there must be a coordination of the goals of the macroeconomic policy with the devising of specific strategies in the areas and products whose domestic and foreign market conditions deserve this. We must not sacrifice the competitive status of agricultural and livestock products abroad through an over-valuation of the peso. In other words, a goal consistent with the great challenge of exporting more and producing increased volumes of food is that of maintaining the real exchange rate at levels that will protect the presence of our agricultural and livestock products on the international market.

The government's policy associated with the promotion of agricultural-livestock exports will necessarily constitute a mainstay in the overall economic policy.

To stimulate and stabilize the presence of the products from Colombian agricultural and livestock supplies on the international market, we have proposed the creation of price stabilization funds for certain exportable products, which would have to be financed in conjunction with the producers. If we guarantee the native producer who is taking the risk of exporting a stable, fitting price for his products, we are thereby creating the conditions to stimulate a strong exporting segment within the agricultural-livestock sector.

Agricultural-livestock credit, especially that allocated for investment, is an effective tool for achieving positive effects on production and investment in Colombian agriculture. But, unfortunately, not all the credit is used for what it should be used for, and not all those with access to it are the ones who really need it most. Hence we propose a financial policy for the farming area that would significantly increase, in both amounts and facilities, access to agricultural-livestock credit on the part of the traditional agriculture and, through a realistic handling of interest rates, streamline the use and destination of the financing for commercial agriculture.

Concurrently, the state cannot continue to allow those who embark on the risky task of raising their productivity and improving their production to find themselves rewarded with bankruptcy or a reduction in their real income. The lack of a policy on demand, accompanied by bottlenecks in distribution, must be overcome, to prevent the destructive cycles which thwart innovation and productivity. These are unavoidable goals in a Liberal strategy for agriculture.

Industrial Sector

ESTRATEGIA: In your opinion, has the time come to redefine the model of industrialization and the manufacturing sector's role in the development strategy? What would be the guidelines of an industrial policy for the coming years? Does a model of industrialization of the type observed in Southeast Asia, whose production is essentially directed toward the foreign market, have any viability in Colombia?

Virgilio Barco Vargas: I don't think that anyone today would dispute the feasibility and necessity for giving an impetus to industrialization as part of the economic development process. The question should be, rather, how to make industry play a role that will contribute to growth in the most efficient manner, which would be least costly for the country and more fitting both for consumers and workers.

In this connection, there is not the slightest doubt that certain features of the experience of economic development in certain Southeast Asian countries deserve to be studied in detail. It would certainly not be possible nor desirable to adopt each and every one of the elements from that experience. But I do think that this model contains several lessons that could be used successfully to solve the economic problems in our area.

One of the major lessons inferred from the economic performance of Southeast Asia is that choosing between substitution of imports and promotion of exports

is not imperative. What is involved is rather, and in both instances, giving an efficient impetus to exports and progressing efficiently along the path of substituting for imports. Instead of succumbing to dogmatic or ideological discussions about foreign trade policy, the country requires, rather a pragmatic solution that will enable it to develop the exporting sector simultaneously with production for domestic consumption, as it managed to do for several years starting in 1967, when the Exchange Statute was issued.

Financial Policy

ESTRATEGIA: To which of these two goals do you think priority should be given in a financial policy for the next few years: democratization or capitalization? And why? In your opinion, should the state assume greater direct control over the financial intermediaries?

Virgili Barco Vargas: I am not sure that by posing the dilemma of "democratization versus capitalization" the issue is covered suitably. Our main interest is that the companies be efficient. Even in the United States and Europe, there are still large private or family businesses which are rather efficient; although the enormous size of the market has forced many of them to become public firms. In order to ward off scandals which occurred 2 or more years ago, my government will place greater confidence in improving the regulation mechanisms, particularly those of the Banking Superintendency, and of the Securities Commission and Associations.

The financial crisis has proven that what has failed is the state's desire to exercise the supervisory and disciplinary authority by properly using the legal tools at its disposal. So, it is not a matter of whether or not there is a capacity for intervention, but rather whether the government has the desire and the capacity for exercising it suitably. In this respect, it should be made clear that my government will not hesitate to efficiently apply the mechanisms at its disposal to guarantee the savings of Colombians and cautious, proper management of the financial system.

An erroneous diagnosis has led the present administration into erratic, policing policies toward the financial sector, which have caused confusion, weakened the institutions and, more recently, forced the government to encumber funds for sizable rescue operations. I consider the present strategy of indiscriminately transferring to the state sector financial or productive institutions which have performed their functions in the area of the private sector to be unfeasible. We cannot saturate the economic and administrative capacity of the public sector by turning over to it the rubble and mishaps of the private sector. At the same time, it seems to me to be essential for the state regulatory institutions, particularly in the financial sector, to exercise discipline and penalize without second thoughts the abuses committed by entities which depend on the public's confidence. The therapy of control for the financial sector should be preventive and not traumatically remedial.

ESTRATEGIA: It is acknowledged at present that, to solve the problem of the financial sector's weakness in holdings, there must be an easing of the situation of the business firms with liabilities owed to banks. Would you be willing

to back those business firms financially, with subsidies or in some other way, and allow the original stockholders who led them into chaos to be the main beneficiaries? What would your strategy be for reducing the interest rates on the national financial market or would you, on the contrary, allow the market to continue operating freely?

Virgilio Barco Vargas: The defense of private enterprise in productive and financial activity implies that the owners of the business firms are aware that it is impossible to invoke defense of private enterprise to demand that the state socialize the losses caused by poor administration. The cost of a system which agrees that profits are repayment for business success is precisely the risk of incurring losses as a result of a poor administration.

In a free enterprise system, these two possibilities, sides of the same coin, cannot be separated. Hence, I deem it essential for the state to intervene for the protection of the savers and depositors in the financial system. But the strengthening and capital formation of the institutions must be inspired by general regulations and criteria based on equity.

I think that the part of the question associated with the interest rate is more closely related to the external sector; because much of the inflexibility has resulted from the flight of capital. After all, what enabled the United States to finance its recovery was the entry of capital. Together with an austere monetary policy and a reduction in the interest rate, that entry of capital also made it possible to finance the large deficit. There is no doubt that the same combination of circumstances would bring similar results in Colombia. But, in any event, in this area we must restore profitability and security, and improve the administration and authority of the regulatory agencies in the financial area.

State Intervention in the Economy and Privatization

ESTRATEGIA: In your opinion, has the time come in Colombia for dismantling or increasing the state's participation in the orientation of the economic processes? What should the role of private enterprise be, and what should that of the government be in economic development?

Virgilio Barco Vargas: I don't think that questions and answers of a general nature would be useful in this realm. Some work could be done by the state in the best fashion, and other work could be done by private enterprise. Of course, there are instances that we could put on the borderline, and that must be analyzed individually. For a considerable period of time, in most of the developing countries there was a tendency to increase state intervention. During recent years, the tendency has been in the other direction, even in countries like the People's Republic of China. The exception, in Colombia, has not been due so much to ideological reasons as to the force of circumstances; because there have been bankruptcies generated by pressure from the recession. Our experience with the state's operations has not been very satisfactory, and I think that when prosperity and growth are recovered we

should make a reassessment of the administration and the ownership of some of the companies which the state was recently forced to acquire. Ownership and operation are one thing, and control and regulation are something else. Every case must be studied individually.

Benefactor State and Labor Legislation

ESTRATEGIA: In articles that have appeared recently, it has been stated that the Keynesian model which has, roughly, guided the development of capitalism since the 1930's, has embarked on a crisis. The clearest symptom of that crisis appears to be the state's lack of capacity for continued maintenance and increase in the levels of social assistance and social security for the working sectors, without causing fiscal crises and inflationary imbalances. Do you think that, in the case of Colombia, it has become necessary to reduce the meager levels of social protection currently guaranteed by the state and the labor legislation? Do you believe that the revitalization of the economy demands the elimination of any of the workers' benefits, such as the retroactive status of pensions?

Virgilio Barco Vargas: In connection with this topic, I feel a little hesitant about dealing with complex situations with the use of general assertions. Our goals must be set, as I attempted to do at the outset, in accordance with our preferences. When there are a million people unemployed in a country in which the subsidy for the unemployed is non-existent, our first priority must be that of reestablishing growth and providing work in large volumes. As I would estimate the preferences at the present time, I would assign, together with the employment strategy, that of reestablishing growth in first place. There are other priorities in the areas of health and education, as well as the necessary assistance to individuals who cannot work. In the case of those who can do so, I would spare no effort in ensuring them jobs.

I am particularly concerned about the thousands of university graduates who have received their degrees, but still lack experience, and who are swelling the ranks of the unemployed year after year.

Of course, we cannot hope to have a total reorganization of social benefits. To some extent people have constructed their lives on the basis of the expectations regarding their rights, privileges and benefits inherited from the past, and these expectations must be upheld. What I am suggesting is that the present emergency, and no one should doubt that it is an emergency, requires a reorganization of our priorities and a reorientation of the social benefits, among which I include employment, toward those who need it most.

Some people have criticized me for saying that we need positive results more than promises. I would like to illustrate very simply what this means, with examples taken from comments by President Betancur: No Colombian government in modern times has talked more about sovereignty and, at the same time, requested more assistance from others; none has promised not to raise taxes and, at the same time, increased them constantly; none has talked more about

construction as a reactivating sector and, at the same time, drastically reduced the spending on building; none has talked more about peace and, at the same time, had to confront major violence; none has talked more about social benefits and, at the same time, allowed over a million persons to remain unemployed while it encourages the flight of capital on the part of the more privileged classes with its exchange policy. What has been more important in all this: the words or the deeds?

2909

CSO: 8148/1694

COLOMBIA

EX-PRESIDENT URGES CREATION OF COAL RESEARCH CENTER

Bogota EL SIGLO in Spanish 23 Jun 85 p 3

[Speech by former President Pastrana at Cartagena University on 21 June]

[Excerpt] Today, as this renowned center of learning bestows upon me the honor of making me a member of its academic community, I thought it would be a suitable occasion for expressing my thoughts and reflecting upon a subject of incalculable importance for this vast Atlantic region of the national territory: the role of its natural resources as a driving force in its development objectives.

The progress of nations is determined to a large extent by the combination of the possibilities offered by nature and the action of its people in making rational use of those resources to achieve higher levels of personal or collective well-being. Here, in these vast plains of our homeland, whose northern shores are formed and framed by the turbulent Caribbean Sea, the conditions exist making it possible to convert this promising area into the natural theater of a far-reaching economic and social transformation.

In this territory, geography, nature and man as the protagonist constitute a trilogy of immense possibilities.

Its subsoil abounds in energy resources. Its fertile soil generously provides food; its hydrography is fit for multiple purposes. The region's vast plains yield abundantly for a wide-ranging economy and its bays and rivers lend themselves perfectly to our port facilities. Our country's geographic location provides access to foreign markets. If anything should be lacking in this overwhelming catalogue of possibilities, we would have the creative imagination and recognized civic spirit of the people. It is not an exaggeration to say that this sphere contains all the pieces of that complex puzzle of development ready to be put together to form an edifying whole.

It is naturally essential that these comparative advantages of nature be used for the logical objectives that one can project with them. It would be an impardonable sin to casually squander this singular set of natural resources. Rather, one must plan without delay for their development and transformation so that they may serve as a basis for breaking down the walls of backwardness and make the leap toward an ambitious change marking a more dynamic and better course to progress. "Every path, no matter how long, requires that the first

steps be taken," said Mao, the Chinese leader of the Great March, with his Oriental wisdom. In our case, that first step or steps means clearly defining our objectives so as to launch a series of basic activities based on which the expanding waves of development may reach every corner and the largest possible number of people.

Energy-Mining Sector

It is the energy and mining sector, the main driving force, which in the contemporary world has become the decisive factor of sustained economic development. Consequently, without exaggeration one can say that the Atlantic Coast presents exceptional prospects for giving life to a whole series of projects that would increase the added value of basic mining activities. With the use of advanced technologies and with the prime objective of exportation, large-scale mining is one of the main efforts that will lead to major increases in production and employment, along with substantial increases in government revenue and foreign trade. However, these advantageous and positive effects of mining activity in itself must be complemented with action in the industrial field aimed at converting these existing resources into manufactured goods. Natural gas, coal, salt and other products are raw materials used to make industrial products whose sales value far exceeds their price on both domestic and international markets. Having established the proportion in which some of these products are to be used as fuel or for conventional purposes, we must then clearly define an overall policy based on what some would call "the most noble use" of these resources, a concept used to designate the increase in commercial value based on the transformation of raw materials into articles produced using them.

In the specific case of natural gas, there has been talk for some time of its industrial conversion. Starting with the discovery of the major deposits at Chuchupa and Ballenas in 1973, during the administration I headed and which was the first successful attempt at partnership contracts in the country, we emphasized the need to give the important deposits on our maritime shelf of the Guajira Peninsula increasingly efficient development. The first decision made along those lines was the use of gas as the energy source in thermal power plants on the Atlantic Coast, most of which had been using petroleum derivatives. This put them at a disadvantage in competition with industry located on this fringe of our territory. The decision helped free fuel oil surpluses for export, which in turn was reflected in a compensatory way in our high bills for imported crude. Likewise, it was not long in being used for industrial processes and domestic applications. Despite this growing use, the Guajira fields, with reserves totaling some 5 billion cubic feet and with a current rate of production of some 220 million cubic feet a day, would be used for another 40 years without running out. Since it is technically feasible to increase production to double the current rate, even so and without any new discoveries, the Guajira reserves would still suffice to meet national demand for 25 more years.

There are a number of projects for which the technical and financial feasibility studies have already been completed, making the transformation of gas a wide-ranging policy.

It is worthwhile to single out the ammonia and urea complex and the compound fertilizer plant, for these products will become every more scarce as the industrialized countries move toward the so-called technological revolution. That revolution requires more and more capital and intelligence and such products will gradually be restricted, turning into the object of sustained demand and an inadequate supply. Based on our limited capital resources, I believe it is proper to place simple and compound fertilizers on a prime level, not only because of the savings they mean and the revenue they could originate or even the uses generated, but because of the technological support that would thus be given to the agricultural sector in a country characterized by low levels and low rates of growth in the use of fertilizer for its needy soils. We cannot waste any more time arguing about whether such industries should be national, private or joint ventures and if, in the desirable event that the doors should be opened to the private sector, it is indispensable to define matters leading to the establishment of the price of gas, the essential foundation of this urgent industrial complex. I have heard from the lips of our ambassadors recently returning that foreign groups with experience in this sector have made serious proposals for financing whose amortization would not be in the form of money, but by placing the final product on their markets.

The foregoing are all preliminary, urgent definitions that would make it possible to get beyond the frustrating outline of things that we enthusiastically say must be done but which, due to laziness, do not get done. If we do not want other nations to take advantage of us -- as they are already doing -- then it is necessary to dust off investment programs left on the shelves of good intentions for years, programs subject to interminable studies and concerning which the people of the Coast must be tired of hearing repeated in successive forums and discussions. Prospects of development do not depend so much on the amount of natural resources we have as they do the prompt and efficient use made of them. Otherwise, we have a modern version of the old fable of the man in rags sleeping on the vein of gold. It is a sad but instructive example to look at the order given by President Manuel Murillo Toro in October 1865 concerning the exploration of the Cerrejon mines, which only came to fruition a century later when, in 1970, as governor, I once again ordered the IFI [Industrial Development Institute] to begin the exploration and development of that dormant resource.

Coal Picture

With respect to coal, I shall try not to dwell on those aspects already known to everyone, in order to focus on others of significance within the central argument that constitutes the main substance of this address. One of them has to do with the possibility of combining the coal of the Coast with that of the interior in order to obtain metallurgical coke, a raw material essential to the iron and steel industry. Given the fact that this type of coal is singularly sought-after on international markets, since it is of exceeding value, it is not a dream to think about setting up a plant on this coast in order to export metallurgical coke to foreign markets and obtain in return the coal by-products that we now import. It would be worth the trouble to pick up the thread lost for years and promote the plan of a major steel plant on the Atlantic Coast. I say take up the thread because 25 years ago, it was my task to promote this

plan involving national capital and foreign technology and that had a credit of \$25 million at that time from the Export Bank of the United States.

This project, like so many others that were proposed to calm the subsequent anger of the region, ended up collecting dust in Planning, without the reasons for such an unusual decision ever being given. It is sad to think, after a quarter of a century, about the poor burial given to such a formidable undertaking. But its justification is still very much alive and perhaps even greater now, because it would not only meet the needs of the region, but the latent demand of nearby foreign markets as well. If we again allow this opportunity to industrialize our coal to pass us by, third countries will do so and, what is even more unfortunate, will do so with our own coal. As in the past, others will benefit from the resources of our subsoil.

Coal Chemistry

Coal chemistry is a phrase which, like data processing, some politicians and many commentators in the media who go around with their watches slow identify as something of the next century, forgetting that it is already a universal part of modern reality. To continue with the attitude of viewing it as a remote possibility implies more time lost, time difficult to regain, and allowing our indifference to stand in the way of a new means of modifying the worn-out terminals of our moldy industrial process. The coal of our coast not only exists in abundance, but is also excellent in terms of quality, which makes it highly sought-after on foreign markets and turns it into a select mineral for the extraction of those thousands of by-products that make up the rich fabric of the coal chemistry sector, whose development would make it possible to obtain a more integrated development of that resource which is scattered along nearly the entire northern coast. Nor can we lag behind, solely fulfilling our role of exporting raw materials so that others may process them and turn them into manufactured products.

It has been correctly stated that coal is a bridge fuel in this era of transition from the cheap energy of the past to the costly energy of today and the future. But whatever its relative importance in the whole picture of energy sources in the years to come -- and my view is that it will be noteworthy -- coal will be called upon to play a prime role as a basic consumable expenditure in a variety of products for which there is a broad and stable demand.

Thinking Big

It is precisely the possibility of being used as a fuel and also as a raw material that makes coal a resource that must now be taken into account in any development strategy. These two uses do not have to be exclusive, but rather, complementary alternatives, especially in this region, where prime quality coal is abundant. Large-scale mining, with a whole support infrastructure and plans for exportation, in itself creates favorable circumstances for breathing new life into the will for regional progress. But I emphasize that it is a resource that must be fully developed. With the Cerrejon project, the country for the first time thought in large-scale terms: Its investment of \$3.5 billion could not have been conceived or even dreamed of in the recent past. The

most difficult part is over. Now we cannot allow ourselves to be frightened by the false siren songs of pessimism which, for circumstantial and eminently transitory reasons, begin to impose cuts in the ambitious goals defined. We must maintain our goal of exporting 50 million tons by the end of the century, rectifying costs and starting now to explore the mechanisms which other countries, under unfavorable conditions because of domestic reasons -- as in the case of South Africa -- have developed with an aggressive policy of marketing the mineral. All this must be part of an overall policy that requires that we increase the low domestic consumption of the present and the industrial transformation of which I have spoken, ensuring that our coal sector will in the future be less vulnerable to the contingencies of international markets.

Coal Research Center

An undertaking of such broad scope must be given the necessary impetus by setting up a coal research center, as conceived by countries possessing that resource. It should function in connection with the coastal universities so that by acting in a coordinated fashion, they may play the role of dynamic driving forces of regional development. Nothing can be achieved if we do not train human resources in all areas related to mining, from exploration and development techniques to scientific research and training in the international market in order to successfully compete with those having greater experience. We must not only have specialists, but also personnel trained in the intermediate fields and skilled work. The lesson learned from the recent boom in Southeast Asia is that every test in the industrial process requires coordination of the natural resource with the trained mind of man who uses and transforms it.

Hydraulic Resources

Within the energy picture, the Atlantic Coast has in gas and coal two precious fuels for generating electric power through thermal generating stations, but whose operating costs are relatively high, with the resulting effect on rates. It is consequently advisable and proper to diversify the generation of energy so that one has a reliable supply, either through connections with the interior or through the promotion of sources existing in that same region.

Urra: Development Pole of Northern Coast

One of the few projects with immense potential in the area for generating electricity using hydraulic turbines is the Urra project in Alto Sinu. I share the frustration of that lovely area of Colombia, watching that hydroelectric power plant whose completion would open the doors wide to progress for the Atlantic Coast, has been subjected to postponements difficult to explain. Contradictory decisions have so complicated the fate of the project that we are now facing a tangled web of confusion.

Like the biological cycle, hydroelectric plants have their gestation process in successive stages and Urra has rigorously responded to them ever since my government contracted for the technical and financial feasibility studies, studies that came to the unequivocal conclusion of its imperious need in order

to meet our nation's rising electric power needs. What is more, its water and therefore energy storage capacity has been considered suitable with respect to concern about the precarious existing reserves. Consequently, it is incomprehensible that a project underway, catalogued as having priority in the different public investment plans in recent decades, should suddenly cease having priority and almost by magic become "one of the obligations not fully justified" and for which the country is not in a position to contract additional foreign credits for completion. Forgetting about the vanity of being a project which during my administration was one of the elements aimed at modifying the fate of this neglected area of the nation, the truth is that we are suspending a project whose viability has never been debated, inasmuch as its viability is fully established, unless with a mere value judgment one would attempt to doubt the reliability of studies done by prestigious Colombian engineering firms and international consultants.

In recent times, the aforementioned Urrea project has not been lucky and its feasibility has been subjected to casual debate motivated from the outside through capital communications media, the refuge of archaic centralism standing in the way of the just aspirations of the provinces. This was the case of the debate over environmental implications, with surprising contradictions put forth by ecologists or reporters who, with unusual fanaticism, make "irrational use" of the concepts of that science which, in contrast, embodies the use of reason as a means of arriving at a harmonious balance between human beings and nature. In response, it was possible to show with ample arguments that the alleged impacts of the dams on the environment have been duly analyzed and are technically manageable. It is obvious that in a long-range project, matters relating to nature that serves as a framework must be faced gradually, as INDERENA [Institute for Development of Renewable Natural Resources] has authoritatively recognized.

Successfully culminating this long debate, its opponents did not let down their guard, but rather, shifted it to the mysterious area of financial decisions and without solid arguments. Urrea, which for 14 years had become the hope and dream of the northern coast, was stricken from the list of projects essential to the future of the nation.

It was precisely in order to avoid such capricious personal decisions relating to national priorities that the two parties resolved to institute planning, removing government investments from immediate, short-term considerations and placing them in a more long-term perspective. Planning, by virtue of its very nature, almost its political being, considers long-range reasons and trends, generally removed from transitory phenomena. For that reason, it is surprising that there should be any violation of these criteria in halting a project, throwing away quantities of resources already invested simply because of a drop in electricity consumption over a period of months.

What if a similar attitude were adopted over the Cerrejon project because of a temporary drop in coal prices? Or if oil exploration were halted because of current drops in the price of crude on international markets or the pessimistic views recently expressed by Ahmed Yamani, Saudi Arabian minister of petroleum?

Abnormal Periods

One cannot ignore the fact that because of the economic recession, which is a universal evil, the world economy is going through an abnormal, atypical period, one that is essentially transitory with respect to demand, which cannot be anticipated as the constant trend of the next 15 years. This is especially true in a developing country, where the increase in electricity constitutes the great challenge, because if Lenin, at the beginning of the October 1917 Revolution, looking at Russia's future, exclaimed, "The Soviet is communism and electricity," in a country such as ours, it could well be said that it is "democracy and electricity." Furthermore, it is a little ironic to speak of the disproportion of the electrical sector if one simultaneously has rationing because of inadequate energy reserves! There is definitely no cure for those who see only in short-range terms and who never see the woods for the trees and for those who, in this case, electricity, like air, is only important when there is not enough and who then immediately blame the government officials who have to face the bitter reality in the future. Blackouts disrupt many activities, but the serious aspect is the economic and social cost of rationing. The experts maintain that a kilowatt-hour rationed in a developing country can mean up to 40 times the cost of producing it!

Urrea cannot simply be viewed as a valuable source of electricity for the entire nation and because of the prospect of lower rates for the Coast. It is more: a driving force of regional progress that entails access roads, highways, land development, irrigation, the collective welfare, breaking the Gordian knot of poverty and backwardness in areas drowning for centuries in deep neglect. We can scarcely condemn to physical, much less economic and social, abandonment a group of settlers for whom this project is perhaps the last chance to modify the somber routine of their existence. Urrea has quite rightly been considered on the northern coast as the talisman of illusions, destined to contradict the ill-fated prediction of Aureliano Buendia: showing that the stock condemned to 100 years of solitude can have an opportunity in the land they love and inhabit. "Everything can be taken away, even food, but what is not possible at the close of this century of technology is to subject a human being to the doom of endless darkness," to quote an American senator speaking at a recent symposium on the electrical future of mankind.

Conciliation of Soils and Water

Another of the fronts that deserves special attention from the government is the soil and water of the Atlantic Coast. We must seek above all to reconcile the two resources by proper technical regulation avoiding excesses or shortages of water over vast areas of land. The current handling of soils is not suitable, either qualitatively or quantitatively, for the potential offered by that vital resource. There is a manifest contrast between the small area used for agricultural purposes and that devoted to livestock raising. In both cases, the low per-hectare yields are disappointing, mainly due to the limited effort aimed at soil programs and the limited application of modern methods of technology. The production of food is clearly inferior to existing possibilities, meaning that we commit the absurdity of importing products such as soybeans, corn, produce, sugar cane, and so on, which could be grown on this land. One

could easily achieve higher productivity of areas devoted to livestock raising, which would in turn make it possible to incorporate countless hectares now used for that purpose for the agricultural process. With the agricultural possibilities expanded, the increase in production would be accompanied by the creation of better paying jobs.

Within the framework of an innovative strategy, it is essential to make proper use of water, which in this context means distributing and regulating it in time and space. Much could be accomplished in the realm of converting to productive activity thousands of hectares now unused because of the flooding: 1.7 million lost on the shores of the Magdalena, Cauca, Cesar, San Jorge and Sinu rivers on the Atlantic Coast alone, without counting the 380,000 covered by marshland.

In this vast area of fertile but unproductive land, the most formidable export structure could be set up. In a world whose population will increase by over 2 billion during the remainder of this century, a world in which the potential of exhausting resources is already alarming, food has become a strategic weapon of such magnitude that observers consider that it is what truly grants pre-eminence to the United States in the current polarization of mankind. To use modern technology in, modernize and therefore diversify the agricultural sector of this immense Colombian Caribbean plain is to follow the logical path of the advantages of nature in order to pull the region out of its backwardness. Just as I stated concerning the energy and mining sectors, it is essential to make the most of agricultural production and fishing by means of the creation of agroindustries, which on a competitive, protected international market have become an instrument for penetrating poor countries, even on the most advanced and sophisticated markets. We must deal with the industrialized countries that have a rapidly evolving and costly technology, in the sphere of the new industrialization, which forces undeveloped nations to embark upon a policy of returning to the land where their destiny lies.

There are many aspects related to the topic I have chosen, one that possibly does not correspond to the tradition of this solemn act, in which the honored recipients of the title so generously bestowed upon me, prefer to scrutinize the mysteries of academic humanism. I believe that those of us who hold supreme responsibilities in the nation must always establish dialogue, whenever the opportunity is provided, on this humanism related to the daily life of the people and regions of our country, their frustrations and their hopes.

Because of obvious limitations of time, which I have exceeded, I have had to concentrate on only a few facets of that great polyhedron of possibilities with which nature has splendidly endowed this northern territory of our geographical map, but which has for the most part lethargically awaited the hand of man and government action. Colombia has over 2,500 kilometers of coastline and yet, its spirit is dominated by a closed Mediterranean mentality, perhaps, as has been repeated so many times, because of having been one of the few nations in the New World whose capital was founded far from the sea and with the separating barrier of the Andean Cordillera. We must change that closed mentality and project it toward the clear line of horizon of its seas. I have just observed it in a visit I made to the famous Epcot Center, in response to a cordial

invitation extended to me by the director of the University of Arizona Agricultural Experimental Station, but I have also observed it, not as mere laboratory tests, but as development in full production in the Middle East and the American southeast. Farm crops are grown in desert areas with irrigation -- who would have believed it! -- using water from the sea. And exuberant harvests come plants rich in protein and oil such as soybeans. Our Guajira, that of the "sand moon," could be a part of that miracle of modern times: making the desert green.

The Coast is not the last frontier of Colombia. It is the point of departure for a frontier bordering on the new nations of the Caribbean that have recently gained their sovereignty, small in terms of territory and inhabitants, but large in terms of consumption, bordering also on the Florida of Ponce de Leon, where once again they speak, think and consume in Spanish!

11,464
CSO: 3348/771

COLOMBIA

BRIEFS

PETROLEUM INSTITUTE CREATED--Supporting technological development in order to provide the Colombian oil sector with what it needs to operate will be the task of the recently created Colombian Petroleum Institute. The organization, which will come under the Colombian Petroleum Enterprise, will help, according to its first director, Jorge Bendeck Olivella, reduce technological dependency on other countries and take advantage of the country's human and technical resources. [Text] [Bogota EL SIGLO in Spanish 18 Jun 85 p 1] 11,464

COMMISSIONER, INTENDANT APPOINTMENTS ANNOUNCED--In Decree 1631, the National Government has announced a partial list of commissioner and intendant appointments: intendant of Putumayo, conservative attorney Jose Salazar Ramirez, currently commissioner of the Amazon, replacing liberal Alvaro Rodriguez Roncancio; commissioner of the Amazon, liberal attorney Gustavo Navia, replacing Jose Salazar Ramirez; commissioner of Vaupes, conservative economist Heraclio Vega Goyeneche, replacing Antonio Velasquez Garcia, conservative. Vega Goyeneche is the first professional from Vaupes to head that commissionership. The same decree confirms the appointments of the intendants of Arauca, Casanare and San Andres and Providencia and the commissioners of Guaviare, Guainia and Vichada. The new commissioner of the Amazon is also a retired captain of the air force who has held different posts in that region of the country. He is currently serving as commission adviser, municipal councilman and vice president of the Amazon Regional Planning and Development Committee. For his part, Heraclio Vega Goyeneche was born in Cururu, Vaupes, in 1959 and served as administrative director of local roads in the Department of Meta. He studied law and the National University. [Text] [Bogota EL SIGLO in Spanish 19 Jun 85 pp 1, 8] 11,464

COLOMBIA-BELGIUM CHAMBER OF COMMERCE--On 30 May, the Colombia-Belgium Chamber of Commerce was created for the purpose of promoting commercial trade between the two countries. Jean Bernard Van Hissehoven was named executive director. The first meeting of the Colombia-Belgium Chamber of Commerce was attended by the ambassador of that European country to Colombia, Willy Stevens, and a number of industrialists from both nations, interested in furthering the already traditional trade in goods and services between the two communities. The Chamber board includes the following officers: Jorge Verswyvel, president; Bernardo Hoyos G., vice president; Erich Van Schendel, secretary; Myriam de Pestiaux, treasurer; and Jean Bernard Van Hissenhoven, executive director. Spokesmen included citizens of both countries: Oscar Perez Gutierrez, Gonzalo Arellano, Jacques Pestiaux, Jean Hendricks, Javaid Ali Kahn, Baudoin De

Wasseige and Calude Lemaire. The purposes of the Chamber include advising Colombian and Belgian businessmen in the winning of new markets, promoting the creation of joint ventures, organizing special competitions for information on foreign trade, establishing a documentation center, the publication of information bulletins and the promotion of contacts between circles and economic guilds in both countries. A high-level professional group will advise manufacturers and merchants from the two countries in foreign trade and regulations existing in both. The Colombia-Belgium Chamber of Commerce hopes in a few months to obtain important results in commercial trade in new sectors of production. Colombia wants to begin to export tropical fruits and leathers, while activating the importation of semi-finished products from Belgium that would be of great interest and adaptability in Colombia. [Text] [Bogota EL SIGLO in Spanish 15 Jun 85 p 10] 11,464

INCREASED GRAIN ACREAGES ANNOUNCED--During the first quarter of 1985, the amount of grain planted throughout Colombia showed a substantial increase, comparing the first 6 months of the year with the first 6 months of 1984. Sorghum rose 3.3 percent, going from a total of 105,300 hectares planted last year to nearly 108,800 during the same period this year, with a production increase of 12.4 percent. Wheat planted rose from 27,280 to 32,030 hectares during the first 6 months of this year, a 17.4-percent increase in area planted. Grain production rose 20.4 percent during the period. Barley planted increased 22.4 percent, rising from 16,081 hectares during the first half of 1984 to 19,680 during the first half of 1985. Projected production will rise by 38.2 percent, according to FENALCE [National Federation of Grain Growers] predictions. These figures are estimates from FENALCE, based on reports from agronomists assigned by the organization to the different regions of the country. Planting and harvest estimates are also supported by data from crop registries of the ICA [Colombian Agricultural-Livestock Institute], credit applications with the Agricultural Financial Fund and sales of seed to date. FENALCE figures compiled by 6 June, when 98 percent of the crops had been planted, give encouraging results pointing to very good harvests for the coming months. Corn planted to date totals 70,726 hectares for areas with advanced and semi-advanced methods and 302,000 hectares following the traditional system. The total area will amount to 372,726 hectares. Anticipated production is some 179,604 tons of grain from traditional and advanced cultivation areas. The traditional system should yield a harvest of 296,967 tons. [Excerpt] [Bogota EL SIGLO in Spanish 22 Jun 85 p 16] 11,464

CSO: 3348/771

GRENADA

GRENADIAN VOICE IN 'SCATHING ATTACK' ON BLAIZE

Port-of-Spain SUNDAY EXPRESS in English 14 Jul 85 p 4

[Text]

ST GEORGE'S, Grenada, Saturday (CANA) — The independent "Grenadian Voice" newspaper has launched a scathing attack on the manner in which Prime Minister Herbert Blaize is running the country seven months after his centrist New National Party (NNP) swept the polls in general elections.

In a front page editorial, the paper accused Blaize of showing contempt for the press, of not living up to the ideals of Parliamentary Democracy, and of promoting too much private government in the country.

The "Voice", under the headline "Come Mr Blaize", noted that in the seven months since the elections in December there had been only two sittings of Parliament.

The parliamentary procedures make provisions for at least one sitting monthly.

"We have warned Mr Blaize before that he may be presiding over the defeat of the NNP at the polls in the next elections, as he did with his own GNP (Grenada National Party) in 1962-67.

We Now prophesy that unless he changes

his style he could provoke another, and more successful, attempt to unseat him," the paper said.

This is an apparent reference to recent rumours circulating in Grenada that some senior Cabinet ministers had been planning to introduce a vote of no confidence in Blaize while the 66-year old veteran politician was out of the country on tours to Britain and North America.

"Can we have parliamentary democracy without an active parliament where people have the opportunity to hear their affairs being discussed? What kind of government is the NNP running? Indeed the rumblings we hear are that it is even worse in that many matters which should properly be decided in Cabinet are decided outside", it said.

The "Grenadian Voice" added: "There is another dangerous way in which the Prime Minister is aping the previous regime and that is by conducting a sort of 'government by radio'. Already noted for his reticence, Mr Blaize is now displaying a contempt for the press that is very disturbing and almost as bad as closing them down.

"He has held only one press conference. During the OECS Conference

here he was the only Prime Minister to give the press short shift and refusing to grant an interview.

Come, Mr Blaize, the press would prefer to work with you for the development of our country rather than fight with you. But we do have our duty to perform", the paper declared.

CSO: 3298/892

GUATEMALA

ORPA LEADER ANALYZES ELECTORAL PROCESS

Mexico City EL DIA (EL GALLO ILUSTRADO supplement) in Spanish 2 Jun 85 pp 16-17

[Article by Otoniel Martinez]

[Text] The existing Guatemalan political process, which the military has labeled a "democratic opening," responds to the needs of the Reagan Administration and the high command of the Guatemalan Army, which use it for their strategic plans. This is the claim of Gaspar Ilom, commander in chief of the Revolutionary Organization of the People in Arms (ORPA), in a recent analytical work entitled "The Political Opening: Counterinsurgent Maneuver."

"This strategic maneuver," Ilom writes, "was conceived by the high command of the army in order to try to resolve one of the aspects of the general crisis in the system: the power crisis, which, as time passed and thanks to the existence of the revolutionary movement in arms, had reached unsuspected levels." In addition, he adds, the Reagan Administration is trying to give the Guatemalan regime "an allegedly democratic validity in order to present it, in the conflict in the area, as a neutral government that could be used at a given time to put pressure on the genuinely pacifist forces interested in a political solution, as in the case of the Contadora Group."

The document by the ORPA leader, whose organization is a member of the Guatemalan Revolutionary Unity (URNG), analyzes at length the features and objectives pursued by the process, which over and over is labeled as a "maneuver," along with the social, economic and military situation in which it takes place.

Only an Outward Change

Ilom claims that this political process promoted by the generals is also aimed at patching up the profound and accelerated deterioration suffered in recent years by the counterinsurgent regimes due to their repressive policies, which has resulted in major repudiation and opposition domestically and marked international isolation. "For the Reagan Administration itself," he says, "It was very difficult to be able to support us openly. They were forced to try to complement their counterinsurgent scheme with political measures, such as the so-called democratic opening."

Since 1963, the army has exercised political power in Guatemala, with the support of the private sector and the successive American administrations. But in Ilom's opinion, it has not been able to neutralize the revolutionary movement and has sharpened the general crisis in the country in the extreme.

"In the face of this failure," he notes, "the high command is seeking, without giving up power or control of all the strategic aspects of economic, social and military life, to gain and share the historical responsibility corresponding to it, seeking formulas which at least temporarily will give it breathing room and create better political conditions in order to continue doing what it has done in the past 20 years: corruption and repression."

The revolutionary leader emphasizes: "The essence of the political opening lies in the achievement of a false and inauthentic democratic ritual, in order to gain the support of other forces and surprise sectors of the international community, presenting the case of Guatemala as having similarities -- which are in fact nonexistent -- with democratic processes of another type and with other features that have particularly existed in the Southern Cone."

Given the historical, economic and social conditions of Guatemala, as well as the military and international situation, these new aims of the high command of the army are nothing more than tactical and diversionistic measures for the purpose of essentially keeping intact all the mechanisms of power, thus guaranteeing, not only the general leadership of the country, but also the counter-insurgent strategy in its most antipopular and antidemocratic expression."

The current process essentially does not differ from the behavior of the army over the past 22 years, Ilom claims, going on to cite as secondary variations the possibility that the military might delegate certain aspects of the public administration to civilians and choose as formal support one of the political forces claiming to be of the center (formerly, the military was always allied with the far right).

Political Forces: Submission or Exclusion

It was Gen Efraim Rios Montt, following his ascent to power in March 1982, who began to speak of the democratic opening. Rios, who called traditional politicians "the 'old politicians who have always deceived us,'" granted broad powers for the registration of new political groups. The latter very quickly numbered half a hundred, but it was soon observed that many of them were nothing more than fronts with which the government and the traditional parties played.

When the elections were held for the National Constituent Assembly in July of 1984, it was observed that the party spectrum had not undergone any significant alterations. The political forces present in the Constituent Assembly were fundamentally the same ones that had participated in the political scheme in previous years, with the decline of progressive currents.

In the last quarter of this year, general elections will be held and at the beginning of 1986, a civilian government will take office, but, according to the commander in chief of ORPA, "the existence or participation of the forces

involved depends on the will of the army. There are conditions that must be respected both by the forces of the far right as well as the authentically democratic forces and the ambitious, opportunistic groups of the current political spectrum.

"The army controls and keeps under its thumb all the political forces, which can only express themselves within given parameters and on specific issues, but they cannot -- any more than the Constituent Assembly itself -- oppose or disagree with the measures or concepts that the high command decides to impose.

"Thus it is that one has the paradox of the repression of political forces, even the traditional ones, in order to seek their total alignment, in exchange for participating in an illusory democratic game."

According to reports in the Guatemalan press, some 70 political leaders and activists were murdered or kidnapped in the period preceding the Constituent Assembly elections. From the time of its installation (August 1984) until today, the same fate awaited another 20, in addition to many acts of intimidation. For example, Christian Democrat Roberto Carpio, alternate president of the Constituent Assembly, suffered a kidnapping attempt and a deliberate traffic accident in which he was injured.

"Since one can only act according to the terms tolerated by the dictatorship," Ilom explains, "censorship is automatically created or -- and this is even more serious when one speaks of a democratic process -- self-censorship occurs with respect to the causes of the problems, while others give way to complacency and seeking the favor of the high command in order to be able to continue to act.

"With every passing day, every single event proves that the political forces and the different parties are forced into greater submission to the designs of the high command and are forced to go through an ever smaller set of gears gradually leading them to a greater weakening of their own positions and expectations. The military leadership thus achieves the objective of not having any consistent opposition and in its place, gains the support of the majority of the political forces."

Democracy Serving the Generals

In the unanimous opinion of analysts, there are three political forces with the possibility of achieving an election victory: the coalition of the far right headed by the National Liberation Movement; the alliance revolving around the National Center Union, a group which defines itself as moderate, but which many consider to be a new front of the right; and the coalition formed by Christian Democrats and other related groups.

For the revolutionary leader, the possibility of an election victory will depend on the acceptance by the army of a given force or coalition of political forces and on the commitment of the latter to respect and follow the counter-insurgent lines set forth by the army.

In this connection, he is concerned about the role that might be played by reformist forces (which seems to be a reference to the Christian Democrats). These forces, he says, after dozens of years of not compromising with repression or corruption, might be turned into an instrument -- deliberately or unwittingly -- of that policy. "They are entering the dynamic of an implacable machine that will unavoidably lead them to the most compromised and sterile positions that could be presented to a political force that may have had any deeprooted democracy."

In referring to the participation of the "authentically democratic forces" (where it would appear that several social democratic groups should be found), Gaspar Ilom recalls that the previous regimes dealt these forces a heavy blow and physically eliminated their best leaders, thereby neutralizing their electoral participation.

The army permits and, in a way, now forces them to participate in a disadvantageous position because for the time being, they pose no risk to the military purpose and strengthen the democratic image of the election process.

For these forces, he continues, "there is an important and historic role to play. It is the role of maintaining their independence with respect to principles and of solidifying a moral opposition that will protect them from the manipulation conceived and executed by the dictatorship. And, in the fight for a true democracy, they must not close their eyes to the daily atrocities or find justifications or explanations for repression."

Reagan's Strategy

In the opinion of the ORPA leader, "the process of democratization simultaneously becomes an aim and an aspiration of the Reagan Administration," which is trying to rehabilitate the image of the Guatemalan military in order to have in it a viable, effective ally in its strategy for Central America. The role assigned to them does not differ from that of other governments in the area, but rather, "takes on specific characteristics and certain tactical variations, motivated by political and diplomatic considerations of the Reagan Administration and of the Guatemalan dictatorship.

"The apparent and proclaimed neutrality of the Foreign Ministry of the dictatorship," he explains, "is a maneuver destined to create an image of an equidistant posture in the conflict in the area. In this way, it may become a kind of arbiter skilled in situations of conflict and decision-making, trying to turn into a general slignment in favor of the interventionist, antinational and antipopular interests."

With regard to Guatemala's participation in the American military strategy in the area, Ilom states: "Both the Americans and the Guatemalan military clique agree that, given the nature and dimension of the internal conflict experienced by the country due to the development of its revolutionary war, it is impossible to divert forces for an interventionist aim of a military nature, except at the cost of permitting a definitely decisive advance of the revolutionary movement.

"The first thing the Reagan Administration needs, independently of the type of intervention it decides upon, is the annihilation of the revolutionary movement in Guatemala. This is indispensable, both if it attempts to launch an intervention with American troops leading to a regionalization of the conflict, and if it attempts a longer-range intervention with the alternative of launching, at least in the initial phase, the regional forces of the Central American armies."

This convergence of interests, the ORPA leader states, has consolidated the political support of the American Administration for the Guatemalan military, which has enjoyed an increase in economic and military aid. The latter, however, has not reached the desired level, having encountered obstacles in the American Congress due to the atrocities committed by military regimes in Guatemala.

"This has resulted in minor opposition expressed in statements by high leaders (increasingly scattered), hinting that they will not participate in the general strategy of intervention. This must be understood for what it is: mere opposition in order to force aid rather than as contradictions or independent or nationalistic positions of the current military clique.

"The roles assigned, which are to be played by both sides, are totally complementary and concerted, so that the forms do not change the content or the essence and are only aimed at gaining time and seeking greater efficacy."

Touchstone

The revolutionary leader also refers to the effect of the military situation on this political plan of the generals and writes: "The main strategic problem facing the high command of the army, viewed overall, is the existence of the revolutionary movement in arms and the levels of action and effect that it may have on the country's political and military situation."

Given the current conditions of Guatemala, Ilom maintains, the backing needed to implement any political plan before the local oligarchy, the American Administration and the army itself is "to present the winning card with the neutralization and control of people's democratic movements, with the annihilation and dearticulation of the revolutionary movement in arms.

"That is why the successive cliques, which in the past 5 years have had to face the people's war, have tried, no matter what the cost, to achieve fairly rapid victories over the guerrilla movement."

Failures in this fields, he adds, were important factors in the coups against the regimes of Gen Lucas Garcia (1982) and Gen Rios Montt (1983).

Ilom summarizes the current situation in the domestic conflict as follows: "Despite all the efforts made by the army, efforts that required a noteworthy improvement in combat tactics and techniques, the situation has evolved and a phase has come to a close with very clear results: the reemergence of guerrillas where absolute victory had been imagined (El Quiche and

Huehuetenango), development and greater activity where it had been concealed (El Peten and northern Alta Verapaz) and greater experience and strength where efforts had been concentrated and where victory was the strategic objective (San Marcos, Suchitepequez and Solola).

"Although we cannot say that the conditions and development of all the forces fighting in these three theaters are the same, their existence and capabilities nevertheless cannot be denied."

According to partial reports, during the first 4 months of 1985, the URNG force forces carried out 56 temporary occupations of towns and highways and engaged in 85 clashes with government troops, which caused 406 casualties. In addition, the guerrilla troops took some 50 war weapons and destroyed or damaged a number of vehicles, helicopters and facilities. In January, the insurgent organizations began coordinated operations.

In May, the rebel actions were stepped up, with length attacks on military garrisons such as the San Marcos and Santa Ana Berlin bases, two of the largest in the western region of the country. In addition, based on reports from the rebels, the latter improved their fighting tactics considerably and in the past year, defeated major government offensives, during which the longest, most complex and bitter battles in the history of the Guatemalan rebellion took place.

Ilom, who labels the situation of the Guatemalan revolutionary movement as one of "recovery and stabilization," explains that the current military leadership "is following the tactic as presenting as victories a number of tactical blows dealt to the revolutionary movement, completely silencing the spread of revolutionary operations and minimizing blows received by the army, all accompanied by a complex strategy of psychological war and disinformation."

Military Crisis and Repression

"The military situation as a whole is beginning to pose a crisis for an entire conception, strategy and structure on which the military had based its hopes of victory," the ORPA leader says, specifically referring to the new organization of the country into 22 military zones (there were 6 until 2 years ago) and the formation of civil patrols which, according to official information, include some 1 million citizens.

"Although the number of troops in each of the zones of operation enduring the most conflict has increased, they are still inadequate because of the type of operations and operational capabilities of the guerrillas, and they increasingly require more reinforcements from the mobile reserve forces."

With respect to the civil patrols, Ilom emphasizes that their training and extension in time has meant that resentment and rejection of the military are growing in their ranks. "From the strategic standpoint," he adds, "and in longer-range terms, the army has precipitated its defeat with the creation of the civil defense patrols, although they have at times meant some tactical support or aided in certain operations."

In the view of the revolutionary leader, the development of the military situation will have a "serious and decisive effect" on the political aims of the army high command "and will add to the economic and social crisis."

Throughout 1985, in fact, the accentuation of the economic crisis and the unfortunate measures of the military government caused the greatest confrontations between the private sector and the military high command, confrontations that coincided with the inconcealable reactivation of the revolutionary movement. Some military quarters have publicly recognized this situation, contradicting the official position.

This military and economic situation, the revolutionary leader says, takes away the credibility and control of the military leadership, which in the coming months "will launch every mechanism of terror and repression in its reach against any manifestation of discontent, not even of rebellion."

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CSO: 3248/435

GUATEMALA

CAN PRESIDENTIAL CANDIDATE INTERVIEWED

Guatemala City EL GRAFICO in Spanish 9 Jun 85 pp 3 (LA REVISTA supplement), 44 (regular)

[Interview with Mario David Garcia, CAN presidential candidate; date and place not specified]

[Text] "My age, 38, is not an obstacle to being a candidate for the president of Guatemala in the current democratizing process."

This was indicated yesterday, Saturday, by Mario David Garcia who was surprisingly proclaimed candidate for the president of the republic by the political party CAN [Authentic Nationalist Headquarters] Thursday night.

The unexpected nomination of the well-known journalist and economist, creator of the television news show "Aqui el Mundo," was the political event of the week and the subject of many arguments. Therefore, we interviewed him in a journalistic desire to serve our readers.

EL GRAFICO: Is it true that you cannot be a candidate for the president because you are not the required age?

Mario David Garcia: The coming presidential elections will be governed by a specific law whose text contains no age limitation. It suffices to be a natural citizen which occurs at the age of 18. Obviously, the CAN would not have proposed my presidential candidacy without having first carefully analyzed the legality of it. For my part, if there were a legal impediment, I would not even be considering it.

The current government guaranteed the citizenry a democratic opening. The law that it issued to regulate the next election carries out that offer by eliminating obstacles and impediments so that all citizens can participate. In this way, the de facto government has demonstrated a greater democratic desire than the politicians in the National Constitutional Assembly did. The politicians arbitrarily limited the freedom of the people to elect their government.

The law in effect permits the people to express their will without any restriction and thus decide who will govern. The problem of age is an artificial question raised by those who oppose my candidacy.

EL GRAFICO: Why didn't you accept the candidacy immediately?

Mario David Garcia: All this week I have been receiving letters, telegrams, telephone calls and personal messages about my nomination as candidate for the president of the republic. Many of them came before the CAN nomination. Some advised me to stay outside political processes while others asked me to accept, offering me their complete support. Those who warned me not to accept any nomination to be a presidential candidate said that the work that I have done in journalism is a bulwark in the defense of the interests of Guatemala and that this bulwark must not be endangered. They also argued that I would be exposed to slander and contempt, to the lies of those who would be hurt if, under my leadership, Guatemala followed the paths of honesty and rectitude. Other messages referred to the danger to my life if I accepted. They said that the corrupt are not only indecent but violent and that they would be willing to go to any extreme to protect their own interests.

On the other hand, those who asked me to accept the nomination referred to the evil in our fatherland and the very limited possibilities of advancing with the current options. All these people speak of the urgent need for an in-depth change in the leadership of our country. They speak of the poverty, corruption, lack of respect for the citizen, abuses of power and the loss of dignity and values in our people. They speak of the need for an in-depth change and they feel that I can do it. All the messages that we have received at "Aqui el Mundo" esteem and appreciate the battle we have fought for more than 8 years. In this battle, we have not let up on the corrupt in our quest for the well-being of the silent majorities. This fight is more necessary than ever now because this could be Guatemala's last chance to decide its future democratically.

To judge from the calls we have received at "Aqui el Mundo," it would seem that all the Guatemalans have made common cause of all those battles we have fought in the name of the poorest and most defenseless inhabitants of our country, battles against the politicians, the government, the technocrats and some businessmen who have taken advantage of the people. Each and every one of our battles reflects the hope of achieving a greater good, the well-being of the Guatemalan people.

I have always held the opinion that it is the people who must have the last word on the decisions made by those of us who, in different forms, have placed ourselves at their service. We journalists who love Guatemala above all else have in common a deep respect for public opinion. Therefore, when they offered me the nomination, I could not give a definite answer. I had to just thank them in the name of all those persons who had communicated with "Aqui el Mundo" and with me personally for making this decision official. It had been mentioned the entire week and even before. I had to limit myself to assuring the people of Guatemala and the leaders of CAN that they will have my final answer very soon. That answer will be clear and categorical.

EL GRAFICO: If you accept the candidacy, what would your proposals to the people be?

Mario David Garcia: What I have always stated. If I enter politics, my fight will continue to be the same. I will continue fighting for the same causes for which I have fought for years. I will continue fighting against corruption. I will still be pledged to achieve the preeminence of the human and material values of my Guatemala.

I could summarize my position with three aspirations for my people: truth, honesty and prosperity. To fight for truth in public acts to prevail and to fight corruption are necessary elements but not enough to eliminate the lack of confidence, the uncertainty and the specter of poverty. The development of the peoples is achieved through hard work and, above all, freedom. The state must provide security to the honest and productive people and must guarantee freedom for individual initiative which, as is obvious throughout history, generates the highest levels of wealth and social well-being.

The laws that limit individual freedom to produce or consume, that grant privileges to small groups in detriment to the total population, generate corruption and lead the way to poverty. This also occurs when there is no sound limit on public expense and state enterprises are promoted.

Everything else, particularly the advantages of a socialist state, is fiction and pure lies. These are not the only threats against the freedom and well-being of the peoples. It is also necessary to emphasize the danger of corruption that spreads under the protection of a bureaucratic and inoperative legal system and an absolutely ineffective judicial system.

The challenge of the future, then, is very serious. Throughout history, however, a people determined to fight for their own survival has never been defeated.

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GUATEMALA

SEVEN CANDIDATES FOR MAYOR OF CAPITAL

Guatemala City EL GRAFICO in Spanish 13 Jun 85 p 8

[Text] There are seven Guatemalans who might run for mayor of the capital city in the next elections. All the sectors of Guatemalan society have begun to talk about the qualities and abilities of the different candidates.

The candidates to occupy the capital's city hall who have been announced so far are: Alvaro Arzu, Elmar Rene Rojas, Oscar Clemente Marroquin, Francisco Caceres, Hugo Quan Ma and Edgar Ponce. The candidacy of Ramiro de Leon Carpio is now being considered.

The first of those mentioned, engineer Alvaro Arzu, already ran once in municipal elections for mayor of the capital. He won by a good number of votes but could not take over the municipal government due to a coup d'etat.

Arzu is now considered one of the strongest candidates for mayor since it has been said that his proposals have been well received by most of the people in Guatemala City.

The group that supports Arzu as mayoral candidate is the PAN [National Vanguard Plan].

DCG Supports Its Candidate

The DCG [Guatemalan Christian Democracy] has announced its candidate for mayor of the capital city, architect Elmar Rene Rojas.

The DCG has opted for much more direct campaigning, making its mayoral candidate visit the different zones of the capital and meet and present his program to all the citizens.

However, the DCG candidate is not considered one of the stronger ones, mainly because--according to analysts--his political propaganda has been very weak. This has led the citizens to consider another option for mayor.

Third Candidate

The third candidate for mayor is businessman Francisco Caceres supported by the political party CAN [Authentic Nationalist Headquarters].

Hugo Quan Ma has not yet begun his campaign. He is supported by the META [expansion unknown] Committee. It is believed that he will be one of the stronger candidates since his image is very good at the municipal level.

Fifth Candidate

Another candidate for mayor of Guatemala City is journalist Oscar Clemente Marroquin Rojas who is supported by his own group called UNIDAD [expansion unknown].

However, this mayoral candidate, like those mentioned before, has not begun a strong campaign.

Another aspirant is engineer Edgar Ponce nominated by the organization AGUA [expansion unknown].

Now the Union of the National Center is studying the possibility of nominating its secretary general, Ramiro de Leon Carpio, for mayor.

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GUATEMALA

WORLD FOOD PROGRAM AID TO COUNTRY DESCRIBED

Guatemala City PRENSA LIBRE in Spanish 17 Jun 85 p 2

[Text] The aid provided to Guatemala by the WFP to benefit more than 2 million low-income people totals \$46.6 million, according to Mr Philippe Borel, adviser for this international program.

Mr Borel is in charge of the execution of this program in Guatemala and Costa Rica. He said that our country has received the most aid in Latin America precisely "because it has been verified that the aid provided is reaching the needy. In other words, there are no signs of mishandling in the distribution of the food sent by the WFP."

The program adviser told the newspaper that the food assistance to the country began after the 1976 earthquake. At the request of then minister of defense, Col Oscar Humberto Mejia Victores, the aid increased in 1982 for what was considered an emergency project costing \$4 million. This was done with the cooperation of the WFP.

Borel stated that this project was carried out successfully in the rural areas of Guatemala, taking care of families that had been displaced by the wave of violence. He emphasized that the coverage of the program was achieved in only 1 year. Since then, this work has been under the CRN [Committee of National Reconstruction] headed by Col Herman Grotewold Cerezo.

The WFP representative continued, saying that a commission of experts in the different disciplines that make up the United Nations came to Guatemala to verify the achievement of the goals. They came to analyze the work developed by the CRN, both the management situation as well as the socioeconomic distribution, to verify whether the aid had reached those planned.

Mr Borel continued: "The truth is that, after this analysis, the commission gave a favorable report on Guatemala because, according to it, 'the government had done exceptional work. All the aid received was distributed very honestly and the projects developed were to benefit the neediest people in the country.'"

The evaluators also recommended that food aid for the Guatemalans be increased through a special program, to \$11 million. Colonel Grotewold was summoned to Rome, Italy (seat of the WFP), to tell him about the program's decision to give more aid to the country. He was also congratulated for "the

government's intentions to attend to those communities that had been excluded for a long time, as it should."

Borel added that another mission from that international program came to Guatemala a year ago. At that time, support was requested for a new project aimed at mother-child care. It has been approved and is being carried out with the support of the Ministry of Education and the Ministry of Public Health.

Last May, in its 19th session, the WFP approved a new project to take care of peasant families in different parts of the country that live in the so-called model villages and other rural towns. This also includes the marginal areas of the city.

There are now four projects under development. Two are being carried out by DIGESA [General Directorate of Agricultural Services], one by the Secretariat of Social Welfare of the presidency and one by Community Development.

The aid given to Guatemala from 1982 until now totals \$46.6 million. All the food is distributed under CRN control. This is the group that does the logistics to benefit the truly needy.

Mr Borel also revealed that 15 centavos are collected for the food given, for example, to organized women's associations. This money is deposited in the accounts of the association or cooperative. It is hoped to accumulate a little capital so that a productive enterprise can be established in the near future.

Farmers who build their own communities, rural roads, reforestation programs, soil conservation, etc., are also supported. Mr Borel stated that Guatemala receives the most aid in Latin America despite the fact that its gross national product is one of the highest on the continent.

He concluded that this is possible due to the government's credibility in the WFP. He was grateful for the cooperation it is receiving from the different state entities.

Colonel Grotewold, when interviewed, said that he "was grateful for the great aid from the WFP. Without it, the realization of many projects to benefit the community would have been impossible. It helps 2 million low-income Guatemalans."

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CSO: 3248/437

GUATEMALA

BRIEFS

EXPORTERS GROUP FOUNDED--In a meeting held here yesterday, a group of exporters, technicians in different specialties, founded the Guatemalan Export Chamber. The objective of the new group is to develop the national economy through the promotion of exports and foreign trade. In its first public statement, the Export Chamber sent a cordial greeting to the chambers and business organizations in the country, offering its collaboration to strengthen this branch of economic activity. The Export Chamber includes traditional and non-traditional exports and activities related to exports. The urgent need to obtain foreign currency and create jobs made the creation of this organization imperative, according to what was reported. The executive board will come from the founding group which includes the following persons: Eduardo Gonzalez, Jose Carlos, Raul Tejada Wyld, Cristian Minondo, Alvaro Delgado, Pascual Mendez, Guillermo Aguirre, Carlos Perez Albert, Khalil Musa, Rodolfo Stahl, Rene Munoz, Joaquin and Klaus Obrock, Mario Brol, Nick Brocklan, Oscar F. Escobar, Oscar Diaz Echeverria and Marco Antonio Morales. Their adviser is Rodrigo Montufar and the public relations adviser is journalist Julio Estrada de la Hoz. [Text] [Guatemala City PRENSA LIBRE in Spanish 18 Jun 85 p 6] 7717

CSO: 3348/437

15 August 1985

GUYANA

BRIEFS

CMCF DEBT PAYOFF--Bridgetown, Sat, (Cana)--Financially-strapped Guyana which owes the Caribbean Common Market's collapsed trade clearing house about \$70 million (US) in arrears and interest, says it expects to clear its debt in about five years. The timetable was given by Guyana President Forbes Burnham, who spoke with newsmen shortly before leaving Barbados at the end of a four-day summit of Caribbean Community (Caricom) heads of government. Burnham said however, that clearing the debt would depend on whether non-sugar producing Caricom states upheld a commitment to purchase some of Guyana's surplus supplies. A workable formula for reviving the so-called Caricom Multilateral Clearing Facility (CMCF), a vital support mechanism for intra-regional trading, eluded the leaders. [Text] [Port-of-Spain SUNDAY GUARDIAN in English 7 Jul 85 p 4]

CSO: 3298/872

NICARAGUA

SUMO LEADERS ON AUTONOMY, NEED FOR LAND, DEVELOPMENT

Managua BARRICADA in Spanish 14 Jun 85 p 3

[Interview with Aurelia Paterisson, date and place not given]

[Text] While the process of discussing autonomy on the Atlantic Coast advances, understanding among the Nicaraguans themselves is also advancing. As one of their own leaders has put it, we must realize that they are a part of our nation and that they have their own aspirations.

On the occasion of the First Regional Assembly on Autonomy, held in Puerto Cabezas, the comrade members of the Sumo organization Sukawala expressed their views to BARRICADA. As one infers from their remarks, they are the legitimate representatives of a Nicaraguan ethnic group, and it is their voice that must be heard in the discussion on autonomy.

Aurelia Paterisson: "Our organization is called Sukawala; it is translated from the Sumo and means National Association of Sumo Communities.

"The organization per se was not founded now; it came into existence in 1974. The need for organizing was observed, because in Somoza's time the Sumo communities could not benefit from land. Furthermore, when there was a requirement on the part of an institution called IAN [National Agrarian Institute], the Sumo community was forced to seek means for becoming organized, and thus claim its rights. At that time it was impossible to achieve the organization that we have now."

BARRICADA: What methods for struggle did they use at that time?

"Well, there was backing from the Catholic religion, and Moravian, such as CEPAD [Evangelical Committee for Development Aid], to help found the organization. Once the organization was created in an assembly of all the Sumo communities, it was not yet the occasion for calling itself an organization. What came into existence at that time was a plan. The Sukawala Plan at that time was called the Limon Plan, financed by CEPAD, in which work was done on different programs, such as health, education, culture and agriculture."

BARRICADA: But did they solve the land problem?

Aurelia Paterisson: "No, the land problem was not solved; the land remained a problem, but there were some chances of not being afraid. For example, the

people had decided to continue struggling; but there was no definitive accomplishment, such as has been attained now."

BARRICADA: What is the current situation?

Aurelia Paterisson: "Well, I think that the present situation is known to the entire country. It is a state of war in which, although we are organized, we cannot develop ourselves fully, on account of the war, plus the conflict in Zelaya Norte, which is our section. So, we are organized, but we don't yet have a place to start; we still lack a budget available, with a stable place in which to undertake any type of work or social development in our communities. But we do have hope that the revolutionary government will approve us, and aid us in this respect. But, since we are so recently organized, we still have nothing on hand to count on."

BARRICADA: Did you hold a meeting with Commander Borge?

Aurelia: "Of course, we held a meeting with Commander Borge (on 11 and 14 May), and we discussed mainly basic documents from the assembly in which we described the feelings of the Sumo people. We observed the good will of Commander Borge, who spoke to us on behalf of the National Directorate and the revolutionary government, and we saw the good intentions and good will for helping us."

"So, we want to work on the basis of that, with other documents, to prepare plans and so submit them to the government, and also to seek other resources from different progressive agencies that want to help us."

BARRICADA: You said that the greatest problem confronting you was the war.

Aurelia: "That of the war. It is the custom of the Sumo people to live freely, without fear of anything, to till the soil and engage in hunting (which is a means of livelihood for our people); and now there is not much of that freedom. The people have to go about very much afraid when they depart, very carefully, in order to hunt; because if they go close to the center they are kidnapped and killed, and then, since we have a population considerably smaller than the other populations, we must take great care not to be hurt or killed, and not to be taken away by force, which is not our people's desire."

"That disturbs us a little, and it is the war itself that sometimes prevents us from seeking a solution, because we have to act very carefully. That is why I said that the war situation affects us to the greatest extent."

BARRICADA: Do you think that the government, the Army, the MINT [Ministry of Interior] or the FSLN [Sandinist National Liberation Front] have made mistakes regarding the Sumo people?

Aurelia: "I would say no, and that our Sumo people think not; because we have not been afraid of the Army. Our people have no fear of the MINT or the Sandinist Army, because our people don't think that they have made mistakes with us."

Our people are afraid, and terrified, of the enemy which is nationally known as the counterrevolution, the only one that has affected us, and the only one that has kidnapped us Sumos, who have been taken to Honduras against their will, and some have even been killed. For example, we have comrades who have returned after great effort, and they have told us about the problems and sacrifices that they underwent. So the Sumo people fear that enemy, who is attacking us every day."

BARRICADA: How does the Sukawala organization fit into the autonomy plan?

Aurelia: "Previously, when we were not organized, we participated very little in that matter. We did not understand very much but, through the reports on the talks that were being held, we learned that it might prove to be a success; a success in the sense that, once peace is achieved between Misurasata [Miskito, Sumo and Rama Sandinist Unity], Misura [Miskito, Sumo, Rama] and the government, it will mean that we would be allowed to work, even though we are not at all accomplices in the actions of Misurasata. As Sumos, we are very particular about the actions of Misurasata, and they implicated our people in those acts because of their poverty and, as I have already told you, because the majority have been taken away by force."

BARRICADA: But do you want peace to arrive?

Aurelia: "That is our people's most deepseated aspiration: to achieve peace."

BARRICADA: How does the Sukawala organization fit into the autonomy plan?

Aurelia: "We stated in the Sumo organization's basic document that we were going to participate in the autonomy plan because we considered it, insofar as we could understand it, very important, since it is autonomy."

"Not all now, because it would take a long time. Five years ago autonomy was not even heard of, or known. Then, we could not talk very much about autonomy, because we are beginning to understand it now, and beginning to understand the studies that they made then. However, we understand autonomy to be one of the achievements that have been made now, namely, the respect that we hope to gain definitively as an organization. We should be the ones to lead our people, who have appointed us and elected us their leaders, to represent them. Hence, we consider that freedom to be a gain of autonomy."

BARRICADA: You used to be on the Regional Commission, and now you are not. How did that happen?

Aurelia: "We have not been on the Regional Commission because we were not yet organized, only a name."

BARRICADA: Who was on it?

Hans Sebastian: "Well, at first I knew nothing about what autonomy was, or anything. As they claim, one day a comrade living here told me that they had

involved me in the issue of autonomy, without my knowing it, and I went to ask the coordinator why they had me on the list, and that I didn't know what that was about. Then they explained to me that it was necessary for us, as Sumos, to participate on that commission. So, right there I told them that I would not participate on that commission to represent myself as the Sumo people, but that the members of the Sumo people had to elect someone to represent them."

BARRICADA: How will Sukawala participate in the commission and the discussion process regarding autonomy?

Timoteo Patron: "Well, since we were not organized before, we were not included on the commission that was formed. On 11 May, we became organized as a Sumo Indian organization; and now there is a great deal of talk about the autonomy plan that is going to be carried out on the Atlantic Coast. We still don't know what autonomy is; we have not delved into it, and the communities don't know what autonomy is.

"At this congress which we attended, it gave us an idea of what autonomy is. I think that we shall go to our communities and find out the concerns and the feelings of the Sumo communities, and learn what their interest in autonomy is. Later, as an organization, we shall draw up a document containing the sentiments of the Sumo people. That will be sent to the Regional Commission, which will be responsible for drafting and submitting the plan to the National Assembly.

"The sentiments of the Sumo people will be conveyed there too."

BARRICADA: In what direction are you going to head now?

Timoteo Patron: "We shall go to Rosita, because the communities live around the mines, and we shall go to find out their interests and feelings; because we think that autonomy must come from the rank and file, in other words, the Sumo communities.

"The Sumos live in Bonanza, Rosita, Siuna and part of Zelaya Sur, and Karawala. There are also communities on the Jinotega side. They previously lived along Bacay, and the Hamacas River, but with the war situation in the region and all over Nicaragua, they arrived at a settlement in Jinotega.

"In our organization's plans for struggle, we shall reach all those locations, because our brothers are Sumos and have the same problem. And we shall visit them so that all of us Sumos can participate in this matter of autonomy, and we are also going to consult them."

BARRICADA: What are the main demands of the Sumo people?

Timoteo: "Our interest, that of the communities, is primarily land, as we lived in the past, historically. Another one is our language; our language is also something that we have kept even longer. Other interests will come out in the

course of the discussions with the communities, because we have experienced a rather neglected situation, in which we did not have a social development as communities.

"Until now, the Sumos have been very backward; they lack sufficient education. I think that this will be one of the interests of the Sumos now, and that the government will give us that right."

BARRICADA: What message would you send to the rest of the Nicaraguan people?

Timoteo: "I don't think that the Nicaraguan people know that the Sumo tribe exists. Perhaps very few know it. Rather than a message, I would say, or explain that we Sumos live in Nicaragua, that we are part of one of the Nicaraguan groups, and that we have the same problems as other comrades, such as the Miskitos.

"There has always been talk about the Miskitos; they are known nationally and internationally. There is talk about the problems of the Atlantic Coast, and there is talk about Miskitos; but we Sumos are also living. So, it would be a matter of their learning about us, and learning about the problems that the Sumos are undergoing. That would be the appeal."

2909

CSO: 3248/444

PERU

COMMUNISTS' 14th PLENARY SESSION REPORT: IU WAS NOT UNITED

Lima UNIDAD in Spanish 20 Jun 85 pp 4-5

[Text] The 14th Plenary Session of the Central Committee of the Peruvian Communist Party took place in Lima on 8 and 9 June. It had been called to analyze the political situation in the country in the wake of the 14 April elections and to assess the performance of United Left (IU) and the party at the polls. The Central Committee unanimously passed the reports submitted on the two issues, reaffirming its unwavering determination to struggle for the defense of the country's and the worker's interests, against imperialism and for world peace, national liberation and socialism.

The 14th Plenum of the Central Committee was the first such party gathering since the elections. The outcome of the balloting warranted a thorough analysis, which was presented to the plenum by the party's secretary general, Comrade Jorge del Prado. It touched on the following cardinal points:

1. In the wake of the April elections the country will be faced with the following objective fact: the next government will be Aprista [APRA: American Revolutionary Popular Alliance], and that party will not only control the Executive Branch but also enjoy a working majority in the houses of Congress. United Left will become the most significant opposition force and the most likely and most desirable government alternative. The rightwing parties and groups, meanwhile, will turn into minor reactionary forces, though they will still be dangerous and aggressive and wield considerable economic power.

The objective fact that IU and APRA are the largest vote-getters and that the battle between them has become increasingly direct, has created the false impression that their competition at the ballot box reflected the most important political contradiction in Peru today. It is an obvious fact that the underlying battle was between the ruling parties that were directly subordinate to imperialism and the opposition parties demanding substantive changes in how the government is run. Thus, the big losers have been the ruling parties and their rightist allies. Nevertheless, this assertion is not an attempt to downplay the setback that IU suffered at the hands of APRA or to absolve the party of its share of the blame for the setback within the context of our political alliance.

This is the outcome of a lengthy process, not just of an election, a process made all the worse by the IMF policies that the reactionary military dictatorship of Morales Bermudez imposed in 1976 and that the AP [Popular Action]-PPC [Popular Christian Party] government of architect Belaunde violently and detrimentally maintained and intensified.

The country is in dire straits in all areas, and we can thus conclude that we are in the midst not only of the deepest depression in our history as a republic but also of a widespread crisis that urgently calls for more than just a change of government; what is needed is a change in the system.

2. What makes it necessary is the fact that the forces spurring development are clashing ever more strongly and often violently with the by now intolerable bonds of dependence and underdevelopment. The sorest spot in this catastrophic state of affairs is the problem of the foreign debt and the interest on it. This is the main and most distressing issue now facing the dependent countries, especially the Latin American countries whose governments, under pressure from imperialism, agreed to pursue the policies of the International Monetary Fund. In so doing, they shut down or shrank their production machines, devalued their currencies, caused the value of the dollar to rise untenably and severely impoverished the workers and the exploited segments of their societies.

3. In light of the circumstances under which the April election was held, the main enemies of our people were the rightwing parties that colluded with U.S. imperialism and were carrying out the policies of the IMF. The line of struggle against these forces was reflected in the conclusions of all the events that IU and our party held. Nevertheless, this line was not designed solely for the recent general elections; it is a strategy that is applicable to all fronts and that aims at taking political, not just government power. Thus, it is a line of the masses that is applicable throughout the history of our nation and leads to national liberation through a truly democratic, patriotic and anti-imperialist people's government geared towards socialism, a government that our people have waged glorious struggles to establish ever since the national strike on 19 July 1977. The working class has always headed up these struggles, along with its organized labor vanguard, the CGTP [General Confederation of Peruvian Workers], which has spurred numerous actions that caught the interest of very broad segments of the nation. It was this framework that made possible the rise, consolidation and development of United Left and its projection as a legitimate government alternative.

4. If we view the election within the trying conditions that the country has experienced over the past 5 years, there is an objective difference between the rightwing parties, which to a greater or lesser extent are the agents of the economic policies of the government, and the Aprista Party, which without having waged a consistent struggle against these policies has nevertheless opposed them in various ways and distanced itself from the administration in this connection. If we take into account that the fundamental aim for the people was to defeat primarily the rightwing parties, starting with Belaunde's group, at all costs, the outcome of the elections

is no great surprise, even if IU did not come out the winner. The Aprista Party took that honor, but to score its victory it had to combat mainly the government, not United Left, and had to hoist banners that IU had unfurled.

5. APRA's victory in the April elections cannot be attributed to its greater consistency in the struggle nor to its firmness in the defense of our people's interests, nor even to a more realistic identification with the aspirations of the masses. As we know, among the nonrevolutionary parties APRA is more than just the oldest; it has the largest membership, the best organization, the most experience and the most material resources. Its main advantage over IU in the campaign was, however, that it was able to mitigate internal dissent in a disciplined fashion and prevent it from leading to a crisis. Whereas internal matters in IU required lengthy debate that nevertheless did not completely eliminate the strife, a monolithic, cohesive leadership philosophy prevailed in APRA from the beginning, which inspired confidence in voters who were not sufficiently advanced but who were interested in a change of course in national life. In our front, furthermore, the shortcomings of a coalition campaign made it difficult to perceive and correct mistakes. But these organizational disadvantages were obviously compounded by the campaign's late start and the economic and political handicaps that are inherent in a contest between a front that represents the workers and the impoverished segments of society and a party that while not oligarchic received heavy financial backing not only from the well-off middle class but also from affluent segments of business and economically powerful international movements such as the Social Democrats, who are in power in several Latin American and European countries. Suffice it to say that the Aprista Party's campaign was not only more expensive than the campaign of AP and PPC put together; it was the most costly election campaign in the country's history. This had a major impact on a wide range of campaign efforts and also had its effect on the so-called "silent majority," which fears change but fears revolutionary change, as IU had proposed, even more.

6. An assessment of IU's campaign potential and difficulties makes it pathetically clear that our only major advantage over APRA was our total, resolute and combative identification with the needs of our country's social development and with the most deeply felt demands of the workers and the various exploited and oppressed segments of our people. This identification applies to ideology and politics, to platform objectives and to IU's real, permanent and direct links with the mass organizations ready for the struggle. This has been and will continue to be our main political asset. This has and will be the reason for IU's existence and ongoing development and during the next administration it will be the main source of our political power.

7. Hence, there are no real grounds for demoralization and pessimism in the wake of our defeat at the recent election. Nor is there reason for complacency. The vote for IU rose by more than 300,000. The number of our legislators increased more than in 1980. But more important than all this is the fact that the Left's ties with the masses have been

strengthened, our people's level of awareness has risen and revolutionary sectors have shown unprecedented political strength and vitality. The task before us now is to prevent these gains from coming undone as a result of the adverse outcome of the voting and to find fresh motivations to keep IU organizations working and growing. The point is to bolster our organizational unity and teamwork so that we can wage the forthcoming struggle in all areas.

8. The "second round of elections" was a controversial issue in recent weeks. IU correctly assessed the outcome of the 14 April election and concluded that it was objectively impossible to alter it. Moreover, the material and political difficulties that IU faced during the first round would have been even more severe. Moreover, it realized that the PPC and other representatives of the ultrareactionary political model were demanding a second round because they wanted to negate the political meaning of the April election and create a new situation in which it would seem as if the Left had been defeated, not the political agents of the reactionaries, as actually happened in the general elections that we are analyzing.

9. The Aprista government that will take office on 28 July will have a responsibility to tackle the nation's grave problems. These problems are: a) the economic situation of the Peruvian people and of the country; b) the cancellation of the foreign debt; c) terrorism and armed violence by Shining Path and the government; d) administrative corruption and drug trafficking; e) the stand of the country (government and people) in light of the worsening world situation and, in particular, the escalating crisis in Central America as a result of imperialism's expanding war offensive.

The president elect has said recently that "the commitments to the people come before the commitments to the IMF." We feel that this is the only stand worthy of a responsible government, but we are far from certain that his words will translate into consistent action. Owing to its track record, its class extraction and the interests it represents, the Aprista administration could lean towards conciliation and even capitulation, unless the combative masses themselves force through a truly patriotic and anti-imperialist policy.

The country has already seen what APRA is like in power, not only in government agencies but also in the leadership of many mass organizations. There are legitimate grounds for the mistrust that broad segments, particularly the working classes, feel today. It should lead to a vigilant policy of combat and a vigorous, tenacious struggle in defense of the country's and the workers' interests.

We must understand that in a society that is divided into classes, the social dialectic does not manifest itself in an undifferentiated multiclass struggle but rather in a battle between the two main classes: the one that defends the existing society and the one that combats and tries to transform it. It is within this social context, which also exists internationally and is mirrored in the battle between capitalism

and socialism, that the Aprista government must act, bearing in mind that Peru's real interests are those of the exploited, not the exploiters. Mr Garcia's recent statements about "the three injustices," "the pyramid" and "the two superpowers" distort the roles of imperialism and socialism and make the workers part of an alleged hegemonic, privileged bloc that is alien to the country's destiny. In addition to being completely erroneous, such views do not help to clarify the objectives of a just national liberation policy.

10. It is up to IU to enhance its political presence in the country, and it is up to the working class and the people to consolidate their unity and strengthen their combative structure so that they are equal to today's tasks. It is up to all democratic and progressive segments of the nation to unfurl a program of struggle on which APRA will have to take a clear-cut stand. A commitment to our country must be the first step in tackling its major problems. At present, the nation's demands have to do with the foreign debt, which Peru will not be able to pay back and for which we need a temporary moratorium and a subsequent selective payback of the obligations contracted by previous governments; oil, in the sense of an end to the tax breaks that have boosted the earnings of the imperialist transnational corporations and to the oil contracts with foreign companies; the large mining concerns, as the national economy and development programs dictate the nationalization of Southern; the banks, in the sense of urgent controls over the private sector, foreign exchange safeguards and credit for producers as the only way to defend national capital and the productive forces of Peruvian society; labor stability, that is to say, the immediate repeal of Law 22126, safeguarding the right to work and respecting the union and social gains of the workers; and defense of low-income earners, which demands rational, sensible price controls and suitable adjustments of worker wages.

The specific action that the Aprista administration takes on each of these essential national demands should be seen as mapping out a policy course for the opposition forces, of which United Left must be the vanguard because it is the legitimate guardian of the interests of the masses.

For its part and in harmony with IU's overriding tasks, the Peruvian Communist Party will strive to enhance its activities and to further refine its efforts. To this end, in the near future it will hold a National Organizational Conference and other organizational and political activities designed to enhance the role of the unions, improve the efforts of the city councils controlled by the Left and bolster congressional activity by tying it more closely to grassroots struggles.

11. During its second part, the 14th Plenum of the PCP Central Committee assessed the party's election campaign. After a critical and self-critical evaluation of the party's efforts in this sphere and the work of the National Campaign Commission, it unanimously approved the report

submitted by Comrade Gustavo Espinoza, the man in charge of this area, concluding that the direction and activities of the campaign squared with the Central Committee's basic guidelines.

Lima, 14 June 1985
Political Commission of the Peruvian Communist Party

8743
CSO: 3348/776

PERU

TWO-THIRDS OF LABOR FORCE MEMBERS OF UNIONS

Lima EL COMERCIO in Spanish 23 Jun 85 p A-4

[Interview with Dr Luis Aparicio, editor of the journal ANALISIS LABORAL; date and place not given]

[Text] [Question] What percentage of the labor force has jobs? What percentage is unemployed? And what percentage is unionized?

[Answer] At present the country's labor force totals about 6 million, 10 percent of which is unemployed, while 90 percent, or 5.4 million, hold some sort of job.

There are about 1.3 million workers who could join unions under current public and private sector legislation, 600,000 in the former and 700,000 in the latter. About two-thirds have joined unions, the rate being higher in the public sector (85 percent, 500,000) than in the private (70 percent, 350,000). We cannot say that the former can engage in collective bargaining in the traditional sense, though they still have their conflicts. Unionized private-sector workers do generally engage in collective bargaining, under the terms of Decree-Law 006-71-TR. So, just 6.5 percent of the employed labor force is unionized and can bargain under Decree-Law 006-71-TR.

On the basis of union membership, not collective bargaining capacity, 17 percent of the labor force belongs to either a public or private union, and 40 percent of the white- and blue-collar workers do.

[Question] How many workers belong to the various unions?

[Answer] It is hard to tell exactly how important each union federation is among all the unions or union organizations currently functioning, and there is currently no valid information on union federation membership. Private sector assessments based on collective bargaining indicate that there are currently some 1,100 unions in the country. The leftwing, Marxist ones account for about 70-75 percent (half of the unions are affiliated with the CGTP [General Confederation of Peruvian Workers], and 20 or 25 percent are predominantly ultraleftist independent unions); 20 percent might be with the CTP [Confederation of Peruvian Workers], and the remainder, 10 percent at the most, are affiliated with the CTRP [Federation of Workers of the Peruvian Revolution] and the CNI.

[Question] How many workers can or do avail themselves of union leave?

[Answer] There may be some 15,000 or 20,000 workers who hold union posts in the private sector. Ninety-five unions (some 2,000 leaders) have registered officially in the public sector, although there are twice as many of them.

Union leave is granted under a collective bargaining agreement at an average rate of 100 to 120 man-days a year per union, the range being from 50 to 200 man-days. If we apply this figure to the 1,400 existing private unions, we get some 140,000 8-hour workdays that are devoted entirely to union activities. If there are 24 workdays a month for 11 months, then this is tantamount to 530 private-sector workers not working for an entire year.

8743

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PERU

HIGHEST GRADE URANIUM DEPOSIT DISCOVERED

Lima EL COMERCIO in Spanish 28 Jun 85 p A-1

[Text] Peru's first uranium-bearing district has been discovered in Macusani, Puno. It covers 600 square kilometers and contains an estimated 200,000 tons of uranium ore, based on the evidence found and proven reserves of 3,400 tons.

The president of the Peruvian Institute of Nuclear Energy (IPEN), Gen Juan Barrera Delgado, disclosed the discovery, saying that the first signs that there was uranium in the area were detected in 1978.

"Later, in view of the size of the finds, specialists from the UN International Atomic Energy Agency (IAEA) conducted the definitive studies in 1983."

He indicated that the potential reserves (100 percent approximation) of uranium in the zone total 40,000 tons according to the studies and that their market value is \$4 billion (the net profit being \$1.6 billion).

"The most important information about the uranium-bearing district is from 1983, when IAEA specialist Dr Enzo Locardi advanced the theory that the zone was actually a volcanic basin in which a natural uranium deposit had formed over thousands of years."

He noted that when he was on a land expedition to the zone that same year, following a helicopter overflight, it obtained natural uranium samples of unsurpassed purity (60 percent fineness, which is exceeded only by laboratory concentrates).

Barrera indicated that so far only prospecting and exploration work has been done, adding that since 1975, the year when the IPEN was created, a little more than \$2.075 million has been invested.

"Fortunately, the government has not had to spend more, because we have gotten money from the IAEA, the UN and the International Nuclear Energy Commission of the OAS," he went on to say.

The Peruvian Government, he said, is not in a position to develop the deposit, adding that \$15 million is needed just to take the next measurements in Macusani and between \$150 and \$200 million for the mine.

PERU

POLICE INEFFICIENT, CORRUPTION CALLED INTOLERABLE

Lima EL COMERCIO in Spanish 19 Jun 85 p A-2

[Commentary by Carlos Espa]

[Text] Some years ago an announcer's voice came over the loudspeakers at the national stadium and asked spectators to give one of the police forces a big hand. The institution was celebrating its anniversary, and thus it was only natural to expect that the large crowd would render symbolic homage to the badges and banners that the standard-bearers were carrying on the field of Jose Diaz Stadium, which some call the "colossus."

Quite unexpectedly, however, instead of spontaneous or obligatory applause, whistling was heard, and some sections of the bleachers grew aggressive and even insulting.

On that occasion close to 4 years ago I was unable to repress my indignation. I asked myself: How could the public get carried away by such destructive anger against institutions whose very purpose is to protect the citizenry? How could the trumpeting of the yellow press, determined to make heroes out of criminals and cowards out of policemen, be so well received among the most disparate segments of our population?

I came to the conclusion that the apology of crime, sensationalism and yellow journalism were the main, the fundamental causes of this impassioned hostility. Furthermore, I felt truly sorry on seeing the faces of the tireless traffic policemen in their quixotic efforts to put some order in our vehicular chaos and of the other policemen who spend the entire night awake on some dark corner to protect others as they sleep.

Guided by these impressions, I decided with obstinate conviction to say and write everything I could to counter the gradual discrediting of the police forces. To varying extents the Civil Guard, the Republican Guard and the Investigative Police were all sinking, as the months, if not the weeks went by, into demoralized, unethical behavior, as reflected in street shootouts, bribery, irregularities and what all.

Some years have passed, and perhaps it is now time to reassess our ideas and set forth others.

Today, the police forces have traits that are damaging to such institutions. First, we have observed a breakdown in the principle of authority and, second, a disturbing inability to protect the public.

Within the police forces, subordinates are organizing a union of a sort to demand wage increases. In what country does a subordinate make demands on a superior? The director general of the police has listened to the demands of his supposed subordinates, and even the interior minister has had to step in to quiet things down.

In the meantime, the newspapers and scandal sheets are blazoning the incidents of violence in which policemen have been involved. Each institution monitors the others closely "to wash their dirty linen in public" instead of harshly correcting its own shortcomings. Thus, members of the Civil Guard capture Republican Guard bank robbers. Investigative Police detectives are implicated in drug trafficking. Civil Guardsmen are apprehended for unbelievable crimes. All the while, the highest authorities look patiently on and merely "denounce the campaigns against the country's institutions."

I also denounce them. But this does not entail silence in the face of situations that seem to have reached the limit.

The exact number of Civil Guardsmen, Republican guards and Investigative Police agents is not known to the public. We need only poke our heads out the window, however, to see that their numbers have obviously increased. The training period has been cut to 6 months, and there are more and more policemen wearing uniforms like those of soldiers. The belts, badges and boots of yesterday's policemen are those of military forces.

At the same time, new squads have been created: the emergency squad, the bomb deactivation squad and Llapa Atic, the Republican Guard version of the Sinchis. Some wear blue helmets, others berets like U.S. military advisers; the more agreeable agents continue to wear the traditional safari hat or the kepi that was introduced during the "oncenio."

Police efficiency has not been the most obvious consequence of this parade of new squads, helmets and uniforms and of increased police numbers. The explosion of a car that had been stolen 10 hours before from no less than a superior district attorney just a few steps from the Government Palace, is almost surrealistic. There were more than 200 policemen from the various branches in the Plaza de Armas that day. As they looked patiently on, an entire building was consumed by flames opposite the Pizarro House.

What is to be done about all this? Let us think first of what we should not do. We should stop accepting police officer candidates until the dishonest, contemptible elements in the institutions have been cleaned out. We should not continue to cover up the wrongs and irregularities that are committed almost daily. We should stop announcing the creation of investigative commissions that never investigate anything. We should not continue to allow mistrust from taking up much of the time and money

of institutions that are not doing the job for which they were established: to keep the peace.

If this means combining the institutions into a National Police, then the country should prepare to get it over and done with. If it means changes in upper and intermediate-level commands, then let's do it.

One of the reasons that the terrorists have been so bold is the inconsistency of the security and crackdown measures that the entire country has been demanding. Within the bounds of the law and of reason we need a change that will make slogans such as "doing honor to the badge" everyday practices among the police forces.

8743

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PERU

BRIEFS

PETROPERU RELEASES UNNEEDED LANDS--The State Petroleum Agency (PETROPERU) will hand over to the government all of the urban and urban expansion sites that it does not need to carry on its activities, as stipulated in Law No 24184, which was published yesterday in the official gazette EL PERUANO. Persons who have built on the lands in Talara Province that PETROPERU will hand over to the government can secure ownership of them through legal channels. [Text] [Lima EL COMERCIO in Spanish 22 Jun 85 p A-6] 8743

MAYORAL CANDIDATES SIGN-UP PERIOD--Candidates for mayor and councilmen have until 10 August to register for the complementary municipal elections set for 10 November in the provinces in which they were not held in November 1983 for various reasons. The acting president of the National Election Board, Romulo Munoz Arce, made the announcement yesterday, adding that the deadline is set by law independently of the tasks that the board is assigned in the areas of financing, voter registration cards, election material and its delivery to the interior of the country. The board will, to this end, request a supplementary allocation in July to finance the elections. The pertinent evaluations are now under way. At the same time, the board will discuss with the Judiciary the nomination of the provincial board presidents who are supposed to supervise the complementary elections at almost 100 spots around the country, as has already been announced. [Text] [Lima EL COMERCIO in Spanish 24 Jun 85 p A-4] 8743

TAIWAN LARGEST FISH MEAL CONSUMER--Taiwan was the largest importer of Peruvian fish meal last year, according to a report in the latest newsletter of the National Association of Peruvian Fishing, the publication REPUBLIC OF CHINA NEWS states. It indicates that in 1984 Peru exported about 400,000 tons of fish meal through state-owned and private companies; the latter sold about 274,000 tons. It also reports that Taiwan was the number one buyer of privately sold Peruvian fish meal, purchasing 68,300 tons, followed by the FRG with 44,800 tons, Indonesia with 23,000, Yugoslavia with 20,400 and the People's Republic of China with 19,000. Fish meal, which is used mainly as a fertilizer, is one of Peru's main exports and earned the country some \$137 million, according to the Taiwanese publication. [Text] [Lima EL COMERCIO in Spanish 24 Jun 85 p A-14] 8743

ST LUCIA

1984 TRADE DEFICIT WITH CARICOM UP MORE THAN 600 PERCENT

FL051839 Bridgetown CANA in English 1739 GMT 5 Jul 85

[Text] Castries, July 5--Economic difficulties with Caribbean Community (Caricom) member states saw St Lucia's adverse trade balance with its common market partners increase by more than 600 percent last year over 1983, according to official figures published here.

A government trade bulletin showed the adverse trade balance had moved from a total of EC2.9 million dollars in 1983 to 18.5 million last year.

The bulletin put St Lucia's imports from Caricom countries last year at EC53.8 million dollars (one EC dollar: 37 cents US), 5.3 million dollars more than in 1983, with exports to the region declining from EC45.6 million dollars in 1983 to EC35.3 million last year.

The report said the sharp widening of the trade gap was largely a result of currency restrictions and devaluation in one country (Jamaica) and an import licensing policy in another (Trinidad and Tobago).

Last year, St Lucia experienced favourable balances of trade with five of its Caricom partners: Bahamas, Dominica, Grenada, Montserrat and St Kitts-Nevis.

The report pointed to a drastic drop in St Lucia's exports to Jamaica from 10.2 million dollars in 1983 to a mere 3.6 million last year, while exports to Port-of-Spain declined from 13.4 million dollars in 1982 to 8.5 million last year.

St Lucia's trade with another big Caricom partner, Guyana, where restrictions have been in force for several years, continued to decline further last year, with exports to Georgetown sliding to an all time low of 759,000 dollars from one million in 1983.

On the other hand, St Lucia increased its imports from Port-of-Spain from 24.9 million dollars in 1983 to 27.9 million last year. Imports from both Jamaica and Guyana fell by about 400,000 in 1984.

St Lucia recorded its biggest positive trade balance with Dominica, exporting 8.1 million dollars worth of goods to Roseau, purchasing 1.6 million dollars in products in return.

St Lucia's trading with all countries last year showed imports reaching 319.9 million--an increase of 31.5 million over the 1983 figure, while exports were up by 783,000 dollars to 128.2 million in 1983 for a total 1984 deficit of 190 million dollars.

The trade volume was the highest since 1981, but the deficit, despite rising of 30 million dollars last year was below the 200 million dollar mark recorded annually between 1980 and 1982 [as received].

CSO: 3298/873

ST VINCENT AND THE GRENADINES

MITCHELL INTERVIEWED ON POLITICAL, ECONOMIC VIEWS

Port-of-Spain SUNDAY EXPRESS in English 7 Jul 85 pp 16, 25

[Text]

WITH THE sugar industry losing \$42 million in five years and the population growing faster than the nation's ability to provide new jobs, St Vincent and the Grenadines was heading straight down the road to disaster, says its Prime Minister, James "Son" Mitchell, in an interview with the SUNDAY EXPRESS.

Q: Prime Minister, many people in Trinidad know of you, but very few know very much about you. How familiar are you with Trinidad? What are your special interests?

A: Well, I am very familiar with Trinidad in that I spent three years of my formative experiences right here in Trinidad when I went to the Imperial College of Tropical Agriculture (now the Faculty of Agriculture, UWI) at St Augustine. Those were the years when the institution was pretty well controlled by the British and it was very strict discipline up there at the time and I had a rather interesting time in Trinidad in those days.

Q: You then qualified here in what year?

A: In 1954.

Q: And having returned to St Vincent, what did you do?

A: I went on to study at the University of British Columbia and I was abroad for a few years before I returned to the West Indies as an agronomist.

Q: How did you move from being an agronomist to being an hotelier?

A: Well, I had property which was capable of being developed as an hotel in the Grenadines, and so I did it to make a living.

Q: And how long have you been the owner of an hotel?

A: My hotel has been run by my wife and a good friend of hers for the last 17 years.

Q: Has this created any conflict with your political career?

A: No, not at all. As a matter of fact I was able to pioneer a lot of the tourism development in the Grenadines, which was in the interest of the people of the Grenadines.

Q: Do other hoteliers think that you have an unfair advantage being the Prime Minister and having an hotel?

A: No. I assist them quite a lot and I am quite a good customer of the other hotels.

Q: What are your other interests other than running St Vincent?

A: I am very interested in farming and I have a small farm in that country. And I am very much into wind-surfing and health club exercises.

Q: Wind-surfing?

A: Yes.

Q: Where does this take place? Bequia?

A: Yes, mainly in Bequia. I have done it off the coast of St Vincent and last weekend I did some wind surfing in Saint Lucia.

Q: I am informed that you are also a sailing enthusiast and that you shared a boat with another prime minister?

A: Yes, Prime Minister (John) Compton (Saint Lucia) and I have an interest in a small boat.

Q: Prime ministers normally carry some form of security. What happens when you go sailing?

A: Well, no security is necessary.

Q: Not even from the wind?

A: The wind is not my enemy.

Q: How did you get the name "Son" Mitchell?

A: My father was a sea captain, and I was born at the time when he was building a ship. And, after I was born, close to where they were building the ship, the news came out that he

had had a son. So, the name "Son" simply stayed on. He was a very popular sea captain at the time. He built the biggest wooden ship ever built in the West Indies, 131 feet, and I became associated as Reggie Mitchell's son; and then I became "Son" Mitchell.

Q: Let us look at some of the things you stand for. Reading some of the speeches you made, one that appeared in the *Trinidad EXPRESS* recently, you made it quite clear that you are not committed to the Westminster system. Is that correct?

A: Well, I am working within the framework of that system, but I feel that those of us who have worked within the system who feel certain things wrong with it, should at least state our position so that as the West Indian political institutions mature, we could indicate in which direction we would like to go.

... I am quite fascinated by the West German and French systems. For example, in the French system you must get 50 per cent of the vote to be elected. We have lots of situations in the Caribbean where people are re-elected with less than 50 per cent of the vote and I think that we need to look at those systems.

Q: But might that not be a very costly arrangement if people kept coming back with less than 50 per cent? What would happen? Would you keep repeating elections all the time?

A: You only repeat once. And then you show that the two front runners are the only ones in the run-off election.

Q: Is this a system that you might in the foreseeable future be looking at in relation to St Vincent?

A: Well, we have problems now, difficulties of amending the Constitution. Because you have to go through referendum and then many exercises, I have set up a committee to look at our Constitution. But whether we can bring about the changes or not, I think it is important that we indicate what the difficulties are and what the solutions may be.

Q: But you are working seriously towards that objective?

A: Yes. Certainly.

Q: You have also stated while in opposition that unless radical changes are made in government policy, the prospects for St Vincent's future are bleak indeed. Now, since then you have become the Prime Minister. Have you in fact been able to address any of the changes that you think need to be made and if so, how far?

A: Well, I have been very busy trying to re-organise the government to ensure there is better management and efficiency of the governmental process. To try and cut out corruption. To try and ensure that there is more accountability. To try and make sure that the question of escalated debt is contained. I have done a number of these things and I have been able to get that much straight.

Q: But these are things one would expect to happen in the normal course of events. Surely when you spoke in these terms as an opposition leader you had more dramatic changes than this in mind?

A: To administer the government (this has got to be able to be done efficiently), you cannot afford the kinds of wastage that was taking place; and you could not afford the kinds of frustrations that were taking place. I believe, first of all, in the principle of efficient management. Well, we needed to ensure that there was more hope in the society, that people feel that they are getting somewhere and so on.

Of course we have lots of difficulties now because of the economic situation. But we have got to at least make sure that we have things under control. The rate at which St Vincent was going, for instance, we had a recipe for disaster. We had an investment, for example and we still do, in the sugar industry, where we created a liability of \$42 million in five years. We had a situation there where one single industry could have completely stopped growth in the economy. And you cannot carry on with that kind of thing. You cannot carry on with governmental projects losing money steadily.

Q: Have you been able to change that recipe for disaster?

A: Well, we have since gotten a report by the FAO (Food and Agriculture Organisation) on the sugar industry and they have recommended closure. We have been able to look at all the other statutory corporations. We cannot make drastic changes but we are trying to stop the escalating debt, trying to break even and then trying to organise some growth.

Q: In your paper, *What Kind of Caribbean Do We Want?*, you referred in very strong terms to the population explosion problem. Would you tell us what you have done or what you propose to do about this problem in St Vincent?

A: First of all, we have to sensitise the population towards the problem. And it is no mean joke. We have a situation where the rate of population growth in the Caribbean easily exceeds the rate of job creation. So even though it looks as though we are organising a factory here and getting more land into production there (there are new hotels and so on), if we are not careful, we are growing at an ever-increasing rate, so as to stand in the same position, and that is a recipe for disaster.

Q: But, what are you specifically doing to try to come to terms with this problem?

A: Well, one has really got to work on two fronts. One has got to try and expand the economy and two, to try and get the message across about population growth. The difficulty is that a lot of this growth is in the rural areas, where programmes are not yet properly administered and we have got to ensure that we are getting better results in this regard. In my paper I referred to Barbados and how lucky they are. They have a position of nil population growth.

Q: You referred to them, as I recall, as a citadel of good sense?

A: The Barbadians have been working on this for a very long time and they have not just been working on family planning. I think it has to be tied into the educational system too, and the good sense of the people.

Q: Do you have strong religious opposition to birth control in St Vincent?

A: Not really. I think it is mainly one of indifference.

Q: Have you been able to enlist any international organisations to help you in this?

A: Well, there is a lot of talk and international agencies *do* give you equipment and materials and lots of seminars and training. But I think that we have really got to work on this much harder.

Q: In the past year, reports have been carried in the EXPRESS, stating that you had a domestic difficulty with the former Bernard Estate, known as Orange Hill. What precisely happened in that situation?

A: A group of aliens who were operating a reform school here in St Vincent suddenly took over this estate. And they worked to get around the Aliens Landholding License and got themselves into possession. This is an area of 3,500 acres. And we thought we could not allow people of questionable reputation to be taking over such a large chunk of our territory.

Q: What were they doing in St Vincent in the first instance?

A: They were organising a reform school, bringing out young delinquents from Scandinavia for reform in the Caribbean.

Q: Was this done with the concurrence of the former government?

A: It was indeed their project. One of their projects.

Q: Did you at the time as Leader of the Opposition object to this development?

A: Well really, I was not the Leader of the Opposition. That was a yo-yo situation in St Vincent. There were several leaders of the Opposition, and they kept changing every day, but nevertheless, I raised questions about it and I said that I did not want St Vincent made into a modern-day Devil's Island.

Q: What benefits do you think the CBI will bring to St Vincent, if any?

A: We are still hoping that we could get some exports to North America and trying to work with certain American investors to see if we could exploit the situation up there.

Q: What sort of exports do you have in mind?

A: I am talking ... we are looking into the question of gloves as one item.

Q: Given the difficulties of breaking into that market, why do you think you might succeed where so many in Jamaica and Trinidad have not?

A: Well, I think that one has to begin by working with the Americans who know the market and who themselves have a market and who want to use the opportunities for production out here and to use the quota systems and the duty-free access towards our mutual benefit. I think that the CBI has three components.

First of all there was the provision of a lot of money to go to Central America, out of which we got very little; I don't know if we got any. Secondly there was the question of tax-free benefits for U.S. investors in the region and I understand a lot of that has been whittled away, and thirdly the hope of exports.

Q: Let's look at your relationship with the United States. Some time ago you said: "The country that will help you shed your oppressor is your friend. Then it is that the internal frustration in Latin America breeds external support of civil strife. The ingredients of that cocktail now exist in the Caribbean. Then the U.S. plunges in. Not when democratic principles are first negated, but in the climax of the confrontation when reasonable men have long perished." Now does that statement imply that the U.S. should plunge in whenever democratic principles are negated?

A: Well, you are talking here about plunging in to give some assistance. I have found them to be ... the statements which I made here, bearing in mind that that statement was made long before the Grenada episode and that statement sort of anticipated that kind of situation. Nobody wanted to intervene in Grenada in the early days when the Constitution was being subverted.

Q: Do you think they should have?

A: Well, there are lots of things that others could have done. In my own case in St Vincent, when the Constitution was amended to make the wife of a government minister Leader of the Opposition, not a voice was raised in the entire Caribbean, by no government whatsoever. And I must say, when recently in Jamaica the snap election was called, to the disadvantage of Mr Manley's party, when I look back at that, when Mr Manley was in government in Jamaica and the Constitution was amended in St Vincent to make the wife of a government minister Leader of the Opposition, he didn't say anything either.

Q: Did you say anything when Mr Seaga went ahead with the elections?

A: I expressed my concern.

Q: Publicly?

A: Yes. I expressed my concern.

Q: What is your relationship with the United States? Do you think that the United States and its Monroe Doctrine is something that has any relevance to the Caribbean in today's world?

A: St Vincent's relations with the U.S. are straightforward. My party is a party of the political centre and we are not going to be taken for granted. We feel that we want to work within the framework of the western tradition but we look to the U.S. to give us a lot more material assistance than they are giving.

Q: What would you specifically like the United States to do in terms of giving additional assistance?

A: I think we need a lot of help with our infra-structural development. And we need a lot more funds in this regard. And now there is so much talk about private sector development and all that kind of thing. I go along with all

that. But the private sector in our islands is not capable of putting in roads and airports and ports and things of that kind. We need assistance with our infrastructural development.

Q: Has a programme seeking that assistance been put forward, or is the other thing being done, just waiting to see if somebody will come forward and offer it? Have we aggressively, or have the OECS states drafted specific requests of this sort and put them forward?

A: We are constantly doing that. We do get some responses but we do not find that the responses are coming as quickly as we would like.

Q: What about your relationship with Trinidad and Tobago? Is it a cordial and effective one?

A: It is cordial. We have a lot more to go into the development of our relations with Trinidad.

Q: Trinidad has been criticised in recent times because of its licensing policy.

You have yourself been critical of licensing policies, saying that this was one way of really closing up free trade. But given the circumstances of Trinidad and Tobago today, do you accept that the policies are justified or do you feel there should be some other approach to solving the problem at this time?

A: Well, the first area that really concerns us is the movement of agricultural produce. And I think that a lot of refinement can be put into that. What I would really like to see happen is that we have free movement of agricultural produce, either from Trinidad to us or from us to Trinidad.

Q: I'm sure you mean from St Vincent to Trinidad because this is really where the market is, is it not?

A: No, not necessarily. You have a lot of good watermelons introduced here. There is no reason why those sorts of things should not be marketed. And if you can get into producing certain things efficiently, which we are not, I can see no reason why we should not buy from you. And some of the other countries in the eastern Caribbean sometimes import some of this agricultural produce from the United States and I think we can produce a lot more here.

But the point I would like to make is that I would like to see us move in our trade in agricultural produce more directly from the farms to the supermarkets. I would like to see us do more efficient packaging and have better organisation of cooling facilities, both in the exporting country and the importing country and that the products do not deteriorate in transit and that a greater volume of first quality and high grade fruit and vegetables get directly to the consumers in other territories.

Q: Do you think that a case exists for moving fewer papers around the Caribbean and getting down to things like putting concrete marketing arrangements in train?

A: Oh yes there are a lot of seminars, meetings, etc and so on. We need to get a bit more active in the business in this regard.

Q: Has this ever been addressed within Caricom?

A: Well, I suppose people are trying.

Q: What about the OECS states. What level of cooperation exists there?

A: A reasonable degree of coordination is being tried all the time but really not as much as one would like to see. I would like to see us have more common representation abroad, but because it is so expensive, it has not developed as speedily as I would have liked.

Q: You were not in office at the time of Grenada. But did you support the intervention?

A: I did. Unlike the Government of St Vincent at the time, I think they were the only ones that recognised the Coard and Austin regimes, because they were the only ones calling for dialogue with them.

Q: You were subsequently reported to have featured, once you got into office, as playing a role which mended some fences in Grenada. Could you tell us something about that?

A: I was instrumental in both stages of hosting a meeting in Union Island to bring together the various parties, to form the New National Party, because I felt that it would be good if they had an opportunity to talk to one another, and Union Island is not very far from Grenada. It has an airport and it was very easy for people to be able to get to Union Island and have dialogue there with each other.

It was a point to which the other prime ministers could have flown in, like Tom Adams and John Compton. What was rather ironical and amusing about that meeting, is that my friend who provided us with a house for that meeting was one who had been arrested by Tom Adams' troops in Union Island (laughter).

Q: On a somewhat serious note here: Some people would regard that kind of meeting as interference in the internal affairs of another country. What would you say to that?

A: Well, what we did was to provide an opportunity for Grenadians to talk to one another. In other words, there were various political parties in Grenada that had not really gotten down seriously to each other in one room and we were able to provide such an opportunity and to show them, prove to them how much they had in common.

Q: Finally, what are your hopes for the future. As dim as the prospects now appear, you are obviously a man who seeks to change things. What are you hoping will come about in St Vincent and the Caribbean?

A: I am very anxious for the quality of life in the area to improve. I like sailing, I like the good life and I like to see everybody happy and so on. And it really pains me when I see things going wrong. It pains me when I see opportunities being missed. It pains me when we have to take decisions that do not appear to be very pleasant. I think we have to try and get our people to understand what is possible in the region and to provide the mechanisms where things that are possible have a chance of happening.

TRINIDAD AND TOBAGO

GOVERNMENT STUDIES CASTRO INVITATION TO MEETING ON DEBTS

Port-of-Spain EXPRESS in English 17 Jul 85 p 56

[Article by Andy Johnson]

[Text]

THE Government was said last night to be "looking at" a letter from Cuban President Fidel Castro, inviting representatives of the state to participate in a four-day conference on the international debt crisis as it affects Latin America and the Caribbean.

It was said to be doubtful, however, whether any representative of the Government would attend the meeting, called by Castro himself. The EXPRESS has been informed that the absence of both Prime Minister George Chambers and External Affairs Minister Errol Mahabir from the country made it unlikely that this country would be represented at the official government level at this meeting, scheduled to take place in Havana from July 30. (See page 4.)

"We are looking at the letter at the moment," one Government source told the EXPRESS last night.

Invitations have been sent to political leaders in and out of government, as well as persons in social, economic and intellectual circles throughout Latin America and the Caribbean.

He outlined a scenario in which he

said that Latin America and the Caribbean would not only be unable to develop but would also experience a regression "as has been the case in recent years." Elements of this scenario he described as persistent unequal trade, the anarchy of a monetary system involving an overvalued dollar, problems of protectionism and high interest rates.

These are all issues which have been highlighted by governments in Latin America and the Caribbean and also among developing countries in the Commonwealth over the past three years. A number of countries within these groupings, in fact, have called for a revision of the international financial system, foremost among them being the study known as the Helyiner Report which was commissioned by the Commonwealth Secretariat and discussed at the meeting of Commonwealth Finance Ministers in Port of Spain, in September, 1983.

It is unclear how much official government support the Castro initiative would receive within the region, since most Caribbean governments are known to be tentative in their relationship with the regime in Havana.

CSO: 3298/893

TRINIDAD AND TOBAGO

GUARDIAN PRAISES PANDAY'S ACTION AS BOOST FOR NAR

Port-of-Spain TRINIDAD GUARDIAN in English 13 Jul 85 p 6

[Text]

THIS country is now firmly on the way to establishment of a two-party democracy with the integration of the Democratic Action Congress, the Tapia House Movement and the United Labour Front under the banners of the newly-named National Alliance which, in its turn, is soon to be converted into the National Alliance for Reconstruction with the assimilation of the Organisation for National Reconstruction.

Thus with the previously badly-splintered opposition to the ruling People's National Movement achieving integration, there is no credible room for spurious independent candidatures or mischievous blocs masquerading as serious organisations, worthy of respect and support from citizens.

We call this a good thing, largely because it may also serve to curb the traditional inclination of voters to think in racial terms. The new party should contain large numbers from the two major ethnic groups in the country and each party should also have a sprinkling of people from other racial denominations.

In these circumstances then, we can appreciate the statesmanship shown by Mr. Basdeo Panday, the current Opposition leader. After all, Mr. Panday's party brings more well-established popular support into the new organisation than any of the other units and he could easily have chosen to settle for permanent leadership of the Opposition and a perpetuation of the racial pattern of the country's politics.

READINESS

On that basis, also, Mr. Panday appeared to have the strongest claim to the leadership of the NAR than any of the leaders of the other parties. The fact that he was able to overcome his personal pre-eminence and did not allow his party's strength to become a stumbling

block in the process of integrating the opposition shows the depth of his maturity and his commitment to forging a bright new era in the nation's politics.

Mr. Panday, of course, also showed himself a realist by declaring his readiness to stand down as a candidate for leadership of the Alliance in the face of what he himself has termed "known public support for Mr. Robinson as political leader" and the need for "the NAR to go into an election with a clearly definable leadership."

Power is what the game of politics is all about and it would be naive for anyone to think that it is any less the motive for the formation of the NAR which, for the first time, would present a credible alternative to the ruling party and the best prospects for succeeding the PNM in the seat of government.

Mr. Panday's statesmanship did not end there: he was reluctant to indicate what policy the NAR was likely to adopt. He told our reporter Mickey Mahabir in a recent interview: "It would be unwise, if not indecent, to give the impression that I am trying to pre-empt discussions on such an important matter."

It was a far cry from the message to be expected from a man at the top in West Indian politics, since by and large such men are all too eager to sound off on just such a matter, heedless of the repercussions.

But Mr. Panday's caution in this regard may also reflect the fact that reconciling ideologies and differences in perspectives among the constituent parties into one consistent policy for the NAR may prove to be a more difficult proposition than the selection of a leader, one at least requiring far greater deliberation and compromise.

The Opposition leader, however, gave some insight into what this exercise may involve when, in rep-

ly to another question from our reporter, he said:

"Even in the same country the type of government in one era may not be the type suitable to another era.

"The best system of government is one that is capable of meeting the needs and aspirations of the people at any given time. If this is accepted, then our present system of government has failed to achieve that objective, then it must follow that there is need for constitutional reform.

"But no man can sit down and produce a blueprint of the type of government best suited to the country. This can only be the result of discussions, dialogue and consensus among those to be governed...

"The Westminster model of first past the post single-member constituencies has not worked in Trinidad and Tobago because we are not British. We have inherited British institutions without British traditions."

IMAGINATION

If it accepts Mr. Panday's analysis, the NAR must be aware that, inspite of everything, Trinidad and Tobago remains a largely conservative society and may not accept radical changes in the constitution as readily as they might suppose.

Systems, of course, are only ways of doing things and, while they are always susceptible to improvements, they are, in the final analysis, only as good as the quality and integrity of the people who operate them.

Finally, Mr. Panday's determination comes through. Although he sees the "urgent need for change" there is no certainty that this would occur, even though, in his view, the Government, once rich beyond its wildest dreams, had not made enough of its wealth and other resources. It had failed to provide a mere 1.2 million people with the basic necessities and now cannot "by the wildest stretch of the imagination be said to have done a good job."

But if success did not attend the NAR's efforts, he for one would continue the struggle.

"I wish to God," said Mr. Panday, "the government were doing a good job, so there would be no need for Opposition efforts; because the day there is no longer any need for me to engage in political struggle, I shall dance with joy."

He can be assured that we would all like to join him in that dance.

TRINIDAD AND TOBAGO

GOVERNMENT MINISTER OFFERED POST IN FUTURE NAR CABINET

Port-of-Spain TRINIDAD GUARDIAN in English 15 Jul 85 p 6

[Text]

ALTHOUGH not yet officially formed, a Government Minister has been offered a Cabinet position in the National Alliance for Reconstruction "when it forms the next Government."

Making this offer was Vice-Chairman of the Caroni County Council, Councillor Dennis Singh to Minister of Community Development and Local Government, Senator Dr. Neville Connell during the Minister's visit to the Council recently.

"There is a place in the next Alliance Government and we urge you to resign your present Cabinet position," Singh told the Minister.

"The system of local government is a philosophy, not a mere system for political purpose. It is a system of a personal government because it deals with everyday problems like the cleaning of cesspits, street

lights, the cleaning of drains, roads, health and such matters," he said.

Councillor Singh complained to the Minister of the many inadequacies and drawbacks which County Councils have had to operate under, yet the Central Government continues to pay "a blind eye and a deaf ear to our complaints, our requests, our aspirations, our needs because they are all the needs, requests, complaints and aspirations of the people who have elected us."

TECHNICAL STAFF

Councillor Singh spoke of the need for qualified personnel in areas of engineering, accounting, road-building and construction as he urged Dr. Connell "to make surprise visits to the county councils and see for yourself how this system operates. Don't give us notice as you'll find everything going well, because your presence will have demanded such perfection."

CSO: 3298/893

TRINIDAD AND TOBAGO

PPP CONCERNED ABOUT EMPLOYER VIEWS ON SEVERANCE BILL

Port-of-Spain EXPRESS in English 18 Jul 85 p 5

[Text]

THE People's Popular Movement (PPP) said yesterday they were viewing with great alarm employers' views and conduct towards the Retrenchment and Severance Benefits Bill now before Senate.

Michael Als, Chairman of the PPP, in a release yesterday said it was not only the Severance Bill which was receiving their attention but also the employers' attitude towards industrial relations issues associated with the question of severance pay as a whole. He said: "It seems to our party that the singular preoccupation by top employers is related to their cash register consciousness. This response by the principal entrepreneurs reflects a most unpatriotic conduct, inconsistent with the imperatives of adjustment. The top employers response is rapidly anti-social and reminiscent of the past buccaneering days of early capitalism when the only concern was to make the fastest buck and let the devil take the hindmost."

He said that it was evident that the views expressed by leading exponents of the free enterprise system neglect to remind themselves that they had great days of financial glory when nothing hindered their acquisitive instincts or their ability to accumulate, hoard and mount up attractive dividends and unlimited surplus value returns."

According to Als, it was indeed shocking to see how employers who often praise the performance of workers in their end-of-the-year financial statements when profit is king and when the going is good, turn like some Jeckle and Hyde when responsibilities to workers are to be honoured.

He said: "They instinctively transform themselves into unreasonable despots, disregarding the plight of those who create their profits. They seek to treat workers like rejected kitchen towels instead of the geese that actually lay the golden eggs."

The conduct and the response of leading employers in the country threatens social stability and national development. A few financial overlords in our country now seem to want a blood transfusion from the working class in spite of already taking so much from the nation and the people. They wish to give no ground even if it will benefit from the nation as a whole.

The PPP Chairman urged employers to respond in a manner consistent with the best interest of the nation and the majority of its citizens, for he said it seemed very clear to the party and for reasons best known to top employers that they were consciously participating in a national crisis.

TRINIDAD AND TOBAGO

U.S. POLICY ON SUGAR HIT AS INCONSISTENT, HARMFUL

Port-of-Spain SUNDAY EXPRESS in English 14 Jul 85 pp 12-13

[Tony Best column "Dateline: New York": "Sugar...and 'Dr' Reagan's Bitter Pill"]

[Excerpts] **NO ONE** could blame sugar producers in Trinidad and Tobago if they declined to pay any attention to the price being quoted on the American commodity exchanges these days for a pound of world market sugar.

To the Trinidadians, as well as to their counterparts in Jamaica, Barbados, the Dominican Republic, and Guyana, to name a few countries, these past 18 months or so have been a depressing period, one in which the downward slide of the world market price has been as consistent as the waves which wash the white sandy beaches of Tobago.

So when on a recent Friday afternoon, the price quoted on the New York Coffee, Sugar and Cocoa Exchange dipped to U.S.2.35¢ per pound, sugar producers in Trinidad probably took the matter in stride.

But if Trinidadian producers seem resigned to, if not frustrated by, the events on the international sugar market, their counterparts in the United States have no such negative reactions, reason being that the U.S. Congress and President Ronald Reagan have seen to it that the 12,000 sugar producers in the U.S., many of them large and diversified corporations, have nothing to

worry about it when it comes to the price they receive for their product.

Almost four years ago Congress enacted a farm bill that in effect guaranteed the price U.S. producers would receive for their sugar, one that is today almost 10 times what Trinidadians get for theirs on the world market — U.S.22¢ per pound.

For it is that wide gap and the efforts by the administration and the U.S. Congress to ensure

that the sugar industry in this country is not exposed to the vicissitudes of a declining market that are causing Americans to raise serious questions about the protectionist measures.

And that's particularly true since the actions in the U.S. are hurting America's sugar producing neighbours in the Caribbean and Latin America, Trinidad and Tobago being one of them.

For a country such as the United States, which has been preaching to Third World countries such as Trinidad and Tobago that they should cut back on government subsidies to various sectors of their economies and allow the market forces to dictate prices and survival, the approach to the sugar industry in this country is out of character, if not contradictory.

As a result, consumers have to pay higher prices for products using cane sugar or corn syrup than the market calls for.

But what should be done?

The best solution is for the administration to practise what it preaches to Caricom countries, and that is, to end the support programme altogether. That action would prevent the consumer from subsidising large corporations and America's neighbours would be helped.

From a practical standpoint, however, the guaranteed price structure

cannot be ended overnight. It would trigger serious dislocations if the sugar industry was not given time to adjust to a new system.

With the 1981 farm legislation due to expire this year, Congress should decline to extend the authority given to the President to cut quotas and impose duties on foreign sugar, while at the same time phasing in a reduction of the sugar loans to growers by cutting a few cents from the price for each pound of sugar.

That approach would give the American sugar producers time to shift to a competitive market situation; bring some benefits to the American consumers; and help Trinidad and Tobago, Barbados, Jamaica and other countries which look to the U.S. sugar market for income.

The cuts in the sugar quotas have sent conflicting signals to Caribbean countries.

On the one hand, the Reagan administration has championed the cause of free trade and the concept of export-led economic growth by introducing the Caribbean Basin Initiative but it has turned around and cut off the states in the region at their economic knees by reducing the entry of a product that is important to economic growth.

CSO: 3298/893

ISCOTT WORKERS URGE GOVERNMENT TO END TALKS WITH BECHTEL

Port-of-Spain EXPRESS in English 13 Jul 85 p 28

[Text]

THE Iron and Steel Company of Trinidad and Tobago (ISCOTT) should not be closed. But the Government should curtail its negotiations with its proposed American partners Bechtel/Laclede.

These are some of the recommendations made by the Steel Workers Association of Trinidad and Tobago (SWATT) which represents the majority of ISCOTT's workers.

SWATT general secretary George Camps, in a memorandum to all ISCOTT workers, said: "We must unite in one collective voice, tell the Government that we reject any ideas about closure; we must ask them to cease any further discussions with the Bechtel/Laclede people, thus ensuring no partnership arrangements, at least under the present term."

Camps' memorandum also sought to review a lecture delivered by UWI economics lecturer Dr Trevor Farrell at ISCOTT's Point Lisas canteen recently. Farrell, a vociferous critic of the proposed arrangements between the U.S. consortium and Government, was permitted by the company's management to air his views to both SWATT members and senior managers of the company. The UWI lecturer,

who accepted SWATT's invitation to speak to ISCOTT workers, also fielded questions from his audience, including some ISCOTT managers.

The union, according to Camps, has made a video recording of Dr Farrell's presentation which would be made available to ISCOTT workers soon.

Noting that Dr Farrell reminded workers of the reasons for the company's failures, Camps said they should never forget that production capacity at the plant has not crossed 40 per cent in any area, "due to poor management, highlighted and identified by the absence of a preventative maintenance system."

The SWATT general secretary warned against the trend to "get involved in contractual arrangements with foreign companies without proper examinations and studies being carried out, and, certainly not to be transacted by any single individual."

He said: "We do not need demagogues. And maybe most important of all, the selection of personnel, especially at management's level, must be conducted through merit and justification. We must not allow ourselves to be destroyed by condoning favouritism to be the criteria."

CSO: 3298/894

TRINIDAD AND TOBAGO

CARONI PLANS TO REDUCE AMOUNT SPENT ON IMPORTING RICE

Port-of-Spain EXPRESS in English 11 Jul 85 p 14

[Text]

STATE-owned Caroni Limited has plans to reduce the rice import bill by about \$12 million with the expansion of its rice fields in central Trinidad.

Company agricultural manager (food production), Lyle Donawa, said that Caroni would have to produce 12 million pounds of rice each year to meet this commitment. He said at present 95 per cent of the rice used in this country was imported. Donawa's views were contained in an article in the company's in-house paper, "Caroni News".

Donawa said to achieve the company's objective, a further 2,000 acres of rice would have to be cultivated at Caroni. He said work on Phase I of this project comprising 370 acres had begun in April and was completed at the end of May. The company expects to plant rice on these acres from September. The first commercial crop of rice for 1985 was being sown at this time on 170 acres. This

will total an acreage of 540 acres of rice planted in 1985. The company expects to harvest 170 acres in October with an expected yield of 600,000 pounds.

In March this year, the company had harvested 487,957 pounds of rice from its 150-acre second commercial rice crop which was sown in October last year. The first commercial crop was actually grown in May/June, 1984, and was harvested in October/November 1984.

This yielded 450,000 pounds of rice which was sold to the rice mill at Carlsen Field.

Donawa explained that at present, all rice was sold to the government rice mill at Carlsen Field. However, the mill suffers from a lack of space. Said Donawa: "We have had to store our last crop in the rice storeroom at Orange Grove. For all our rice to be accommodated at Carlsen Field, rice silos will have to be built."

CSO: 3298/894

TRINIDAD AND TOBAGO

BRITISH FIRM JOINING GOVERNMENT IN SECOND METHANOL PLANT

Port-of-Spain TRINIDAD GUARDIAN in English 12 Jul 85 p 4

[Text]

IMPERIAL Chemical Industries of London and the Trinidad and Tobago Government are to co-operate in the development of a second methanol plant to come on stream in 1988 at a cost of US \$155 million (TT \$372m).

This information was received from the Trinidad and Tobago High Commission in London yesterday during Prime Minister George Chambers's visit to Britain.

The planned 1,500 metric tons a day plant is to be located at Point Fortin. Both ICI and Government will have equal shareholding of 30 per cent in the plant with the remainder to come from two unnamed international development institutions. Financing is expected to be through maximum export credit funding and commercial bank loans.

The plant will use ICI's methanol process and will be constructed by one of the company's process licensors.

According to the High Commis-

sion, it is being contemplated that the Government provide the plant with adequate supplies of natural gas at competitive prices, adequate supplies of processed water, cooling water and electricity, and methanol storage and load-out facilities including tanks, pipelines and dock facilities.

LEADING ROLE

Government will also ensure that all necessary local approvals are granted along with appropriate fiscal concessions.

For its part, ICI will provide a suitable off-take contract for the rated output of the plant. During project implementation and plant operations, ICI is expected to take a leading role on technical matters and also enter into a technical assistance services agreement.

The first methanol plant constructed in this country came on stream in early 1984 using also the ICI process. Its capacity is rated at 1,200 metric tons per day and it is owned by the Government.

CSO: 3298/894

TRINIDAD AND TOBAGO

TOURISM FIGURES FOR 1984 SHOW DECLINE COMPARED WITH 1983

Port-of-Spain TRINIDAD GUARDIAN in English 15 Jul 85 p 3

[Text]

SOME 144,000 visitors arrived in this country for the first three quarters of 1984, with the majority of them (39 per cent) coming from the Commonwealth Caribbean, and 28 per cent from the USA. Twelve per cent came from Canada and 12 per cent from Europe.

According to figures released by the Tourist Board, the 144,100 who came spent an estimated TT\$474.6 million for the entire 1984.

In its review of tourism for 1984 the Board states that a comparison between the first six months of 1983 and 1984 revealed a six per cent drop in the number of arrivals.

But, most surprisingly, in the first quarter of 1984 which includes the Carnival period there was a drop of 14 per cent below the corresponding period in 1983. There was an increase of eight per cent in the second quarter of the year when compared to the period in 1983.

The Tourist Board suggested that a possible explanation for the fall could lie in the current travel patterns where weekend holidays are extremely popular in the major tourism generating markets and where this country's relative distance from its Caribbean rivals could be partly responsible.

For the period 1975 to 1984 there was an increase in all categories of visitors except hotel holiday visitors where there was a substantial decline.

LENGTH OF STAY

From 1983 to 1984 hotel holiday visitors fell from 11 to ten per cent, private holiday visitors fell from 60 per cent to 57 per cent. Business visitors, on the other hand, increased from 26 to 30 per cent and all other visitors increased from one to three per cent.

The average length of stay for private holiday visitors varied between two weeks and one month while for all other visitors it varied from three to six days. The Tourist

Board suggests that private holiday visitors stayed longer because cost of accommodation was small or negligible.

Hotel occupancy for both Trinidad and Tobago for the month of December 1984 stayed below the 50 per cent mark with the rate for both islands averaging out at 40 per cent, a drop from 45.9 per cent for the corresponding period in 1983.

For the entire period of 1984 hotel occupancy in Trinidad and Tobago stood at 49.4 per cent, an overall decline of 11.2 per cent. For Trinidad alone the rate fell from 63.8 per cent in 1983 to 52.3 per cent in 1984. In Tobago it was 41.2 per cent in 1983 and 37.5 per cent in 1984.

Some 220,790 residents departed from this country in the first three quarters of 1984, 32 per cent of them disembarked in the USA, and 32 per cent in the Commonwealth Caribbean, 18 per cent of these in Barbados. Thirteen per cent disembarked in Venezuela.

Figures for cruise ships show that ten such ships called in Trinidad with 4,600 passengers, the majority of them in January.

A review of the hotel occupancy rate for the first quarter of 1985 shows that there was an overall decline for those first three months but both January and February showed increased percentage occupancy. January rose from 46.5 per cent in 1984 to 53.1 in 1985, February from 58.8 per cent in 1984 to 65.9 per cent in 1985. For March the rate fell from 61 per cent in 1984, to 54.8 per cent in 1985.

For April the rate rose from 45.92 per cent in 1984 to 50.1 per cent in 1985.

Most of the hotels were occupied by citizens of this country with an average of 46.9 per cent for the first four months. Some 16.4 per cent came from the US and 10.2 per cent from Canada.

TRINIDAD AND TOBAGO

ISSUES IN FISHING TALKS WITH VENEZUELA UNDER DISCUSSION

Rejection of Fee Proposal

Port-of-Spain TRINIDAD GUARDIAN in English 15 Jul 85 p 3

[Text]

SAN FERNANDO:

CEDROS and Icacos fishermen on Saturday rejected a proposal calling for the payment of a fee of US \$200 for each boat to fish in Venezuela's territorial waters with the Venezuelans doing likewise while in Trinidad waters.

Mr. Aaron Badai, proprietor and a man involved in the fishing trade for the past 27 years told Mr. Christopher Thomas, Permanent Secretary in the Ministry of External Affairs: "We do not want any fee to be paid either by our fishermen or the Venezuelans."

He said: "We want to continue fishing with permits."

His views were endorsed by the fishermen who had assembled to hear an up to date report from Mr. Thomas regarding the negotiations between the governments of Trinidad and Tobago and Venezuela, for a renewed fishing agreement, the last of which expired in May last year.

Mr. Thomas, who is due to take up an appointment as this country's Ambassador in Venezuela within the next month, was accompanied by senior officials from the Ministry as well as from the Ministry of Agriculture, Lands and Food Production.

Together with Mr. Cyril Rogers, Parliamentary Representative for Point Fortin, they met the Cedros and Icacos fishermen at the fishing complex at Icacos. The complex is due to be formally opened by the Minister of Agriculture, Land and Food Production, Mr. Kamaluddin Mohammed, now acting Prime Minister, and tentative date is July 23.

Mr. Thomas told the fishermen that if they did not want the question of fees to be included in the agreement, then he would let the Venezuelans know that and he believed that would be the end of the matter.

The other matters which are hold-

ing up the agreement are the size of nets, a demand by the Venezuelans for an increase in the number of deep sea fishing trawlers to operate in north and east Trinidad the number of crews hooks to be used.

TOO MANY HOOKS

The fishermen heard that the Venezuelans want 1,000 hooks for each of 12 trawlers, but the Trinidad and Tobago negotiators countered with a six-member crew and 500 hooks. Mr. Thomas said that Trinidad and Tobago must protect its resources.

Mr. Badai said he believed that the question of trawlers and hooks concerned the fishermen in the north and east and they should be the ones to determine the issue.

The local fishermen at Cedros and Icacos want to use 15ft by 15ft nets while Venezuelans asked for a reduced size of 10ft by 7ft. Mr. Thomas said this matter should be settled in Trinidad's favour.

On the question of permits, Mr. Thomas told the fishermen that the Venezuelans want an additional 60 permits but Trinidad and Tobago offered 30 more and said: "We cannot go beyond 30 and we intend to hold them down to that." At the moment the Venezuelans are allowed 40 permits to fish in north Trinidad.

Negotiations are to resume as soon as the Trinidad and Tobago negotiators meet with fishermen in other parts of the country to let them know as well about the talks, said Mr. Thomas.

The visiting government team was told by Mr. Badai that it is about 50 years now that the fisher-

men of Icacos and Cedros were experiencing problems with Venezuelan authorities all because of the laws of Congress and State laws of that country.

He noted that sometime ago, 21 Trinidad fishermen who were held by Venezuelan authorities, had to pay 47,000 Bs before they could be released — all because of the difference between the laws of Congress and the State laws of that mainland country.

Mr. Thomas explained that Venezuela is such a large country that between the Central Government and the coastal authority there is a lapse of time between things happening at the central authority and the coast.

"We feel that it is necessary to deal at the coastal level as well as the central level", he said.

Venezuelan Violations

Port-of-Spain TRINIDAD GUARDIAN in English 15 Jul 85 p 3

[Text]

MR CYRIL ROGERS, parliamentary representatives for Point Fortin, said on Saturday there is sufficient evidence that Venezuelan boats are always in Trinidad's territorial waters.

He said he believed that the Venezuelans were doing that because there is no agreement at the moment between the two countries.

AGREEMENT

Mr. Rogers said so in the presence of Mr. Christopher Thomas, Permanent Secretary, Ministry of External Affairs, when he visited Icacos to bring fishermen from Icacos and Cedros up to date with negotiations for a new fishing

agreement between Trinidad and Tobago and Venezuela.

Mr. Rogers said that he had asked the Venezuelan Embassy to speak to their authorities to restrain themselves, exercise some degree of tolerance.

"I am sure they have done it. Again, you know, you are dealing with people. You may give instructions, but a guy

may want to use his own authority," he stated.

He said that the Venezuelans are coming here and no one is interfering with them. "Why can't they give our fishermen similar treatment," he asked.

CSO: 3298/894

BRIEFS

YOUTH COUNCIL-GOVERNMENT ROW--NEWLY-ELECTED executive of the Trinidad and Tobago National Youth Council has come out on a tough stand with officials in the Ministry of Sports, Culture and Youth Affairs. This was gleaned yesterday when Mr. Claude Boyce, who was elected President of the NYC for a two-year term at Saturday's biennial conference of the NYC at the Chagacabana Hotel, said: "Our first priority will be to revitalise county youth organisations affiliated to the National Youth Council and we are also going to the Ministry with this demand--either we work together or call it a day. We have no problems with the Ministers who have headed that Ministry, it is just that some of the officers apparently want to give us a hard time because the Ministers would support us, but when it comes to the implementation some officials are exercising tardiness." The new President said the Ministry must give a serious commitment to assist the NYC in realising its programmes and goals. Other officers elected unopposed for the forthcoming term include Cheryl-Ann-Weekes. (YWCA), the first female to be elected executive vice-president; Barbara Thomas, Secretary General (PNM); Mr. Steve Hinds, Assistant General-Secretary; Vera Christopher, Education Officer (Gril Guides Association) and Alice Butler, public relations officer. The two-day session at the Chagacabana was described as "very lively". [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 15 Jul 85 p 3]

NEW CID CHIEF--A NEW Assistant Commissioner (Crime) has been posted to the Criminal Investigations Department as from this morning. He is Senior Superintendent Ronald Perry who has been shifted from Northern Division with headquarters at Arima to the hot seat in Port-of-Spain as a consequence of the temporary elevation of Mr. Alic Heller to act as Deputy Commissioner (Operation). Mr. Heller replaces Deputy Commissioner Sampson Phillip who has gone on vacation leave. Mr. Perry will have to answer questions such as the state of investigations with respect to the murder of University graduate Abdul Kareem, formerly called Lisle Marcelle at the corner of Anderson Street and Nizam Street, St. James, on the night of July 8. It was reported that Kareem, a secondary school teacher at the Al Muslimeen was fatally stabbed by an unknown taxi-driver while he and two other colleagues were being taken down to the St. James Police Station on a charge of loitering, and an additional charge of being armed with an offensive weapon on one of the men. An inquest is expected to be conducted in connection with Kareem's death. Kareem, an old boy of Queen's Royal College obtained a degree in mathematics and economics and had began studies for the Master's Degree at the University of the West Indies. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 15 Jul 85 p 1]

TOBAGO POLICE ISSUE--THE Police Administration in Tobago has been accused of "blatant political bias" in a motion of no confidence filed yesterday for debate at next week Thursday's meeting of the Tobago House of Assembly. The motion, which was filed by Clarence Warner, member for the Providence Calder-Hall district, said that while the motto of the police proclaims "to protect and to serve" there has been a dramatic decline "of trust and confidence in the administration of the police service in Tobago which has demonstrated blatant political bias in its treatment of residents of the island." Warner, who at one time acted as Clerk of the Assembly before retiring to contest last November's Assembly Elections, said in his motion that if "trust, confidence and respect for the police service are to be maintained, there must be fair unbiased and non partisan discharge of duties and its responsibilities." Warner's motion asked the House to express "lack of confidence in the administration of the Police Service in Tobabgo" and further cause on the "powers-that-be to take serious note of the situation and proceed to implement the necessary remedial action." [Text] [Port-of-Spain EXPRESS in English 18 Jul 85 p 3]

CSO: 3298/895

END